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Non-Governmental Organizations in China

Yiyi Lu

China Policy Series

Non-Governmental Organizations in China

As Chinese society becomes more open, and hopes rise that control by the Communist Party may become more relaxed, a great deal is expected from non-governmental organisations (NGOs) in the formation of civil society. This book, based on extensive, original, qualitative research, including detailed interview research in over 50 Chinese NGOs, discusses the current position of NGOs within China.

The book argues that although all NGOs – both those originating as a result of government initiatives, and those that are popularly organised – are dependent on the state, all enjoy a very large degree of autonomy. This autonomy arises in part because of the limited capacity of central government to control NGOs, and in part because of the fragmented and non-monolithic nature of the state, which enables individual bureaucratic patrons to protect particular NGOs (especially officially organised ones) from the full impact of state control. The book also discusses the skills base of NGOs, showing that this is somewhat limited, and argues that, contrary to current hopes that NGOs and thereby civil society may flourish, the lack of state control is already leading to an 'uncivil society' where rules do not exist or are ignored, and where organizations that are supposed to work for the public interest are being used to serve illegitimate private interests instead.

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The rise of dependent autonomy

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To my teacher, Nathan Sivin

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List of abbreviations

CASAPC	China Association of STD/AIDS Prevention and Control
CAS	Chinese Academy of Sciences
CASS	Chinese Academy of Social Sciences
CFPA	China Foundation for Poverty Alleviation
CGSCV	China Green Shade Children's Village
CLF	China Literature Foundation
CYDF	China Youth Development Foundation
CYL	Communist Youth League
DONGO	donor-organized NGO
DPF	Disabled Persons' Federation
EPA	Environmental Protection Agency
GONGO	government-organized NGO
GVB	Global Village of Beijing
HCSC	Help Centre for Special Children
ICF	Industrial and Commercial Federation
INGO	international NGO
MCA	Ministry of Civil Affairs
MOC	Ministry of Culture
MOH	Ministry of Health
NPO	non-profit organization
PCV	Prisoners' Children's Village
PEA	Private Enterprises Association
PLWHA	people living with HIV/AIDS
PNEU	private non-enterprise unit
POMB	Popular Organization Management Bureau
PPCC	People's Political Consultative Conference
SELA	Self-Employed Labourers' Association
SEPA	State Environment Protection Agency
SGPAP	Saunders' Gull Protection Association of Panjin City
SPRSRA	Shaanxi Province Returning to Society Research Association
STD	sexually transmitted disease
UMCA	United Moms Charity Association
YCRDA	Yilong County Rural Development Association
YDF	Youth Development Foundation

YPCF	Yunnan Province Charities Federation
YRHRA	Yunnan Reproductive Health Research Association

1 Introduction

When I first embarked on this study, my plan was to conduct an assessment of the performance of social welfare NGOs (sometimes also called 'third sector organizations') that had emerged in China since the 1990s. This was to be compared with the performance of both public and private sector social welfare organizations. I hypothesized that NGOs were able to develop because they displayed some comparative advantages *vis-à-vis* organizations in the other two sectors. After starting the field work, however, I quickly realized that such a research project was unlikely to yield interesting results, as the following case helps to illustrate.

The case involves a family in a big coastal city with an autistic child. The child's mother divorced her husband and abandoned the child. The father therefore had to care for the child on his own. He had a salary of 1400 yuan or so per month. At the time, the minimum living standard in the city was set at around 300 yuan per person per month,[1] which meant that this man did not qualify for financial assistance from the government. The man needed to work full time in order to earn sufficient salary to support himself and his son. As it was impossible to look after an autistic child all by himself while working full time, he tried to find a residential home for the child. There were very few residential homes for mentally disabled children in the city, whether publicly or privately owned. He learned about a private institution that was said to be good, but it charged over 1000 yuan a month – obviously beyond his means. With considerable effort, he finally obtained a place for his son in a private, non-profit institution that also charged fees for its services, but whose fees he could afford. However, its service was rather poor. After some time, the child's condition worsened. During my field work I interviewed a friend of this man who had visited the child at the residential home. She was so shocked by the poor quality of care that she wanted to make complaints to the management. However, the man begged her not to do so. Even though it was far from ideal, obtaining a place in that home for his son had not been easy, as it had a long waiting list. And he had no other place to go. Given that 'exit' was not an option, the man thought that complaining would only make things worse for his son in the future.[2]

This case was not unique. Everywhere I visited, I gained the impression that low-quality service provided by NGOs had been the norm, while even fee-paying

clients were in no position to demand better services owing to a lack of alternatives. It soon became clear to me that social welfare NGOs were still at such an early stage of development in China that the majority would not measure up to even a minimum standard of good performance.[3] Later, I extended my field work to NGOs in other sectors, such as environment, education, human rights and health. In these fields, too, it seemed that the performance of Chinese NGOs had left much to be desired. Therefore, if I were to stick to my original research plan, I did not see how I could produce anything interesting or illuminating about Chinese NGOs in the end, other than delivering a scathing criticism of their performance.

On the other hand, the fact that many NGOs were performing so poorly raised a number of questions. Why is their performance so unsatisfactory? How can NGOs continue to receive donations and other forms of support on the basis of such poor performance? Why do they have so little accountability? Why is there no effective external supervision to ensure standards? These questions eventually made me change the direction of my research to examine how NGOs were created, how they carry out their activities, how they mobilize support, and how they manage their external relations – in short, how NGOs survive and operate in contemporary China.

The output of my revised research agenda, the present book, describes the way NGOs function in a country whose economy, state and society are all in transition. Despite numerous problems, there is no denying that Chinese NGOs have played many positive roles, such as pioneering new services, defending the rights of disadvantaged people, raising public awareness of critical issues, providing opportunities for people with similar concerns to network with each other, and mobilizing donations for charitable causes. In this book, however, I focus more on the problems of Chinese NGOs than on their achievements. I highlight behaviour that runs counter to what is supposed to be the proper behaviour of NGOs, such as forging patron–client ties with government officials, then using bureaucratic protection to evade supervision by the public and the media. I argue that much of the dysfunctional behaviour of Chinese NGOs can be explained by the way they function in contemporary China: Frequently, when NGOs are good at 'getting things done' and are successful in ensuring their own organizational survival, this simultaneously creates the condition for their dysfunctionality, namely their inadequate performance in helping the disadvantaged and serving the interests of their members.

Although research on NGOs in other countries and general theories of NGO development provide useful references for this study, it is essentially grounded in analyses of the characteristics of the Chinese state and society, and the patterns of their interaction in the reform era. The study, in turn, is intended to shed some light on the evolution of state–society relations in post-reform China.

Defining NGOs in China

Although the term 'non-governmental organization' is already widely used in China, the official term that currently conveys the notion of an NGO is 'popular organization' (*minjian zuzhi*). Popular organization contains three categories:

- social organization (*shehui tuanti* or *shetuan*)
- private non-enterprise unit (*minban feiqiye danwei*)
- foundation (*jijinhui*).

Social organizations are officially defined as 'non-profit organizations which are formed voluntarily by Chinese citizens in order to realise the shared objectives of their members and which carry out activities according to their charters' (State Council 1998a).[4] Private non-enterprise units (PNEUs) are defined as 'non-profit social service organizations which are set up by enterprises, service units,[5] social organizations, other social forces, or individual citizens using non-state assets' (State Council 1998b). The main difference between a social organization and a PNEU is that the former is a membership organization, whereas the latter is not.[6]

Foundations are defined as 'non-profit legal entities that employ assets donated by actual persons, legal entities or other organizations for the purpose of engaging in public benefit activities.' Like PNEUs, foundations are also non-member organizations.

Current government regulations stipulate that any social organization or PNEU must be approved and registered by Civil Affairs departments at the county level or above in order to exist lawfully, while foundations must be approved at the provincial or central government level. However, there are a few exceptions.

First, the registration requirement does not apply to eight large national social organizations which are often referred to more specifically as 'people's organizations' (*renmin tuanti*) or 'mass organizations' (*qunzhong tuanti*). These organizations, which include the All-China Federation of Trade Unions, the All-China Women's Federation and the Communist Youth League, are in fact not very different from state agencies. They were created by the state and perform administrative functions on its behalf. They are treated as a special category of social organization, and are not under Civil Affairs' supervision.

Second, current regulations also make exempt from the registration requirement 'organizations formed within administrative agencies, social organizations, enterprises, or service units which are approved by these organizations and which only carry out activities internally' (State Council 1998a). An example of such organizations is university student unions, which do not need to be approved and registered by Civil Affairs departments as long as they have been approved by their universities. Many so-called 'internal social organizations within work units' (*danwei neibu tuanti*), however, do not really confine their activities to the premises of their mother organizations. For example, a very active student environmental group at Beijing Forestry University has jointly organized many public events with other environmental organizations, student associations in other universities, and the media, such as conferences and fora, environmental awareness-raising campaigns, tree-planting trips and wild animal protection activities (Hu 2001). In other words, apart from their legal status, many internal social organizations are not very different from independently registered popular organizations, so they need to be studied alongside the latter in any full-scale investigation of Chinese NGOs.[7]

Third, some grassroots organizations that have emerged in recent years have not been required to register with Civil Affairs departments so far. They include 'property owners' committees' (*yezhu weiyuanhui*), which are formed by owners of apartments in the same housing compound, and urban community-based organizations, such as leisure activity groups formed by residents in the same neighbourhood (typical examples are singing and dance groups formed by retired people).

Apart from organizations that are required to register and those that are exempt from this requirement, there is also a type of organization known as 'second-level social organizations' (*erji shetuan*) or 'branches' (*fenzhi jigou*) of registered organizations. Before 1998, as subsidiaries of registered organizations, they did not need to be approved and registered by Civil Affairs departments. As a result, some organizations that could not meet the prerequisites for registration had managed to gain quasi-legal status by persuading registered organizations to let them 'hang under' (*guakao*) as their second-level organization. In exchange, they would pay an annual 'management fee' (*guanlifei*) to their host organization. Some registered organizations have survived mainly on the management fees they receive from their second-level organizations.[8] Like internal organizations, second-level organizations cannot enjoy 'legal person' (*faren*) status – they are not considered fully independent legal entities. While not being legal persons might cause some inconvenience[9] to second-level organizations, those that enjoyed good relations with their host organizations often had more freedom and autonomy than registered organizations as, unlike registered organizations, they were not under the direct supervision of Civil Affairs and other concerned government departments. In effect, second-level organizations constituted a loophole in the government's NGO-management system. The new government regulations promulgated in 1998 plugged this hole by requiring second-level organizations to be registered by Civil Affairs. However, the registration requirements are less stringent than those applied to first-tier organizations.

Given that organizations that do not register with Civil Affairs are outlawed, in theory NGOs that can operate openly in China would include registered social organizations, approved internal social organizations, registered second-level social organizations, registered PNEUs, and perhaps mass organizations as well,[10] but certainly not business enterprises or unregistered organizations. In reality, however, any comprehensive study of Chinese NGOs must also include some organizations in the latter two categories, for the following reasons.

First, current regulations require every NGO to find a 'professional management unit' (*yewu zhuguan danwei*) to act as its sponsoring agency. Only after obtaining the approval of its sponsor can an NGO apply for registration with Civil Affairs departments. The sponsor must be a state organ above the county level, or an organization authorized by such an organ. It must also be 'relevant' to the activities proposed by the NGO – it must have responsibilities in the same field in which the NGO operates. For example, a football fans' club must be professionally managed by the Sports Commission, not the Health Bureau. On the other hand, state organs are under no obligation to accept applications

for sponsorship from NGOs in their field. The Sports Commission can refuse to sponsor any football fans' club that wishes to register. Current regulations also disallow NGOs with similar remits coexisting in the same geographical area. For example, if there is already an association of disabled people in Beijing, then no new association of this kind will be allowed to register in the city. As a result of these strict rules, many grassroots NGOs have been unable to register, either because they fail to find a government agency willing to act as their professional management unit, or because other NGOs with similar missions have already been registered in the sites where the intend to base their operations. In order to exist legally, some NGOs have registered instead as businesses with Industry and Commerce Bureaux, even though they engage in public-benefit activities and are non-profit-making. In fact, some of the best-known NGOs in China, which are celebrated as 'genuine NGOs' as opposed to 'government-organized NGOs' (GONGOs), and which have been the favourites of international donor agencies, fall into this category, and are therefore not under the jurisdiction of Civil Affairs.

Second, there are unregistered and hence illegal organizations that nevertheless carry out activities openly, and that have been left alone by the government instead of being banned according to the regulations. This situation obviously has a lot to do with the currently limited government capacity to enforce its NGO regulations. This issue is discussed further in later chapters.

To sum up, at present NGOs in China can have a diversity of legal status, ranging from registered popular organization, internal organization or second-level organization, to business enterprise or completely unregistered organization. This shows that, although the government has been trying for some years to put the sector in good order, it has only had limited success so far.

NGO terminology in China

The specific Chinese terms for different types of NGO have been introduced above. This section concerns the generic terms currently in use. Although the official Chinese term for NGO is 'popular organization', the expressions 'NGO' and 'non-profit organization' are also frequently used. Technically, the three terms have different connotations and nuances, but they are often used interchangeably.

In their discussions on domestic NGOs, Chinese researchers and NGO practitioners often divide them into two broad categories: 'officially organized' (*guanban*) NGOs and 'popular' (*minban*) NGOs. The former are initiated by the government and receive government subsidies. Their staff are often on the government payroll, and their leadership positions are often held by incumbent or retired government officials. By contrast, popular NGOs are initiated by private citizens and receive no government subsidies. Their staff are not government employees, and they do not have officials occupying their top management positions.[11] Officially organized NGOs are also frequently called 'top-down' (*zi shang er xia*) NGOs, whereas popular NGOs are referred to as 'bottom-up' (*zi xia er shang*) NGOs.[12]

Methodology

I conducted field work for this book in a number of sites in Beijing, Shanghai, Guangdong, Shaanxi, Yunnan, Sichuan and Anhui. Intensive field work was carried out over four periods: October 1999–September 2000, October–November 2001, October–November 2002 and May–June 2005. Additional interviews with NGOs were also carried out on several extended trips to China in 2006 and 2007.

My research centred on case studies of individual NGOs. In total I studied 55 NGOs. In selecting my cases, I tried to achieve as much diversity as possible. The organizations I studied spread over ten different sectors. Their distribution by sector is as follows:

Sector	*Number of NGO studied*
Children's Rights and Welfare	10
Women's Issues	3
Environment	14
Legal Service	4
Learned Society/Science and Technology	3
Disability	7
HIV/AIDS	5
Education	2
General Social Welfare	4
Rural Development/Poverty Alleviation	2
Community development	1
Total	55

In terms of geographical distribution, my case studies are located in different parts of China, the locations representing both rich coastal areas and socio-economically underdeveloped hinterland regions, both big metropolises and small cities. Finally, my field work also covered NGOs with all the different legal statuses mentioned above: fully registered NGOs, second-level organizations 'hanging under' registered NGOs, NGOs registered as businesses, as well as unregistered organizations.

Most organizations I studied are popular NGOs. As noted earlier, my original research design focused on social welfare NGOs. Although the Chinese NGO sector as a whole is dominated by officially organized NGOs, the vast majority are either business and trade associations, or science and technology associations (Pei 1998; Wang *et al*. 1993; White 1994). There have been few officially organized NGOs in the social welfare sphere.[13] Consequently, most of the NGOs I found in the field were popular NGOs. Later, as my research question changed, I extended my field work to more sectors. However, whereas a relatively large quantity of secondary data and analyses already existed on officially organized NGOs, there had been few detailed studies of popular NGOs, so I decided to continue to devote more attention to the latter. There had been considerable misunderstanding of the characteristics and *modus operandi* of popular NGOs, and I felt that my research

would make a more useful contribution if it could help to fill the gap in knowledge about these organizations.

As far as I know, my research differs from existing qualitative studies of Chinese NGOs in its extensive use of ethnographic methods. I worked in one NGO for several weeks, during which time I participated in all its daily activities as a full member of the organization, even answering telephones and receiving visitors on behalf of the NGO's Director. Although I did not work for the other NGOs, I usually spent days 'hanging around' on their premises, chatting with people, observing their activities, looking through documents, and examining pictures, work regulations and memos on walls and noticeboards. While I was studying an NGO, I would spend a lot of time socializing with its members in the evenings and at weekends. I went to their homes for dinner. I attended their parties. To show their hospitality, my hosts often took me to local tourist attractions for sightseeing, or to famous local restaurants for meals. These informal after-work interactions often yielded information about the NGOs that would never have come out in formal interviews in their offices. I was able to ask probing questions that would have been too intrusive in a more formal setting. Many of my most informative interviews happened during these informal interactions in the form of chats and discussions. One such interview took place when I drove with an NGO director to an airport in another city to pick up her daughter. The journey lasted several hours. During that time, she went over the entire history of her organization with me, telling it as a personal story rather than a formal account of events. Another interview, again very informal, took place one evening when my interviewee and I were both attending a conference away from home. We went shopping together for three hours. Through our chat, I was able to learn a lot of illuminating details about her organization that she had not mentioned before, when I interviewed her more formally.

The use of ethnographic methods also had another big advantage: It allowed me to obtain more genuine information and weed out more false information than researchers who do not employ such methods. My experience suggests that in an initial interview, many interviewees would deliberately withhold some important information or give some inaccurate information. For example, there is a strong tendency for NGO directors to complain about the lack of support from the government, but not to mention how they may have gained access to various state-controlled resources by forging patron–client ties with state officials. NGO staffers often emphasize their altruistic motives while denying any selfish considerations. Clients sometimes hesitate to criticize the services of NGOs before a stranger who they have just met. My research strategy provided me with several lines of defence against information manipulation by interviewees. In particular, by having many follow-up interactions with my interviewees, which were usually progressively less formal, I developed a friendship with many of them. As a result, some would confess to me that certain information they gave me initially was wrong. For example, when she first introduced her staff to me, one NGO manager greatly exaggerated their previous experience and qualifications. She also claimed that they left their previous jobs to join the NGO because they found

its work more fulfilling. Later, she revealed to me that some of the staff were in fact laid-off workers who did not have any job when she hired them.

Once they became friendly with me, many interviewees also decided to share with me information that they had initially chosen to withhold. One director of a popular NGO always described the main problem facing her organization as constant interference in its affairs by a government agency that exercised oversight over its operation. One researcher who studied this NGO published a paper, the analysis in which was apparently heavily influenced by the director's complaints against the government agency. It portrayed the agency's role as entirely negative, seeking to control the NGO and hampering its effort at helping the clients. When I first met the director, I was given the same one-sided story about the NGO's relationship with the agency. However, after the director and I became friends, she told me another side to this story – there had been considerable benefits to the NGO from placing itself under the supervision of this particular agency. The NGO had been able to use the agency's resources to carry out its activities. In fact, at the beginning it was the director who invited the agency to play a supervisory role, precisely based on calculations of the potential gains to the NGO of having the agency on board. In short, the NGO and the agency had a mutually beneficial relationship, which was initiated by the NGO, even though the director preferred to present her organization to outsiders as a victim of government interference.

During my field work, I was able to build good rapport with several NGO directors. They became very open with me and took me along to their meetings with government officials, donors, clients and other supporters. This gave me good opportunities to observe how NGO leaders managed their organizations' external relations. I also proactively created opportunities for myself to observe NGOs interacting with each other and their clients. For example, I introduced some NGO directors to each other and observed how they shared experiences and networked. I referred potential clients to different NGOs that provided similar services, and accompanied these potential clients on their visits to the NGOs. This allowed me to see both how the NGOs presented themselves to potential clients, and how potential clients assessed the organizations and their services.

In addition to studying NGOs through field work, I have also been able to observe and interact with NGOs through my involvement in several NGO development projects. In particular, I was responsible for implementing a British government-funded capacity-building project for Chinese environmental NGOs between January 2006 and August 2007. The project brought together dozens of environmental NGOs from all over China to develop action plans to increase their influence on environmental governance. The knowledge and information I gained from participating in such projects have further enriched my database for this book.

Synopsis of the book

Chapter 2 reviews the existing literature on Chinese NGOs. I suggest that analytical frameworks based on the state-versus-society dichotomy, such as civil society

and corporatism, are unable to capture the complexity of the relations between NGOs, their constituencies and the state. A deep understanding of the nature and functions of Chinese NGOs requires that researchers disaggregate both 'state' and 'society' to take into account the diverse interests and goals within them. I also question the adequacy of NGO management theories as analytical frameworks for studying Chinese NGOs. Although data generated by managerial studies of Chinese NGO are useful, I argue that only political analysis is likely to lead to important findings about Chinese NGOs at their current stage of development.

Following a discussion of other scholars' works, I introduce the key concepts and theoretical issues that I have explored in constructing my own analytical framework. I then outline this framework at the end of the chapter.

Chapters 3 and 4 focus on the relationship between Chinese NGOs and the state. I propose that there is a crucial distinction between the 'autonomy' and 'independence' of NGOs. Many Chinese NGOs can be characterized as heavily dependent on the state, yet enjoying a remarkable degree of *de facto* autonomy. Chapter 3 addresses the issue of autonomy. It challenges the mainstream view that Chinese NGOs generally suffer from a lack of autonomy. It also disputes the conventional wisdom that, relatively speaking, popular NGOs are more autonomous than officially organized NGOs. It shows that the central government has limited capacity to enforce its NGO management policies. NGOs can cultivate bureaucratic patrons, who shield them from control and supervision by the government, leaving them with substantial autonomy. Given their origin, officially organized NGOs are often more likely than popular NGOs to have powerful bureaucratic patrons, so they may enjoy more rather than less *de facto* autonomy. Both officially organized and popular NGOs, however, are heavily dependent on the state, as Chapter 4 argues. Citing a large amount of empirical evidence, this chapter demonstrates that not only do Chinese NGOs rely on the state for resources, information and project implementation, but their legitimacy is also frequently derived from their links to the state.

The degree of operational autonomy a particular NGO enjoys, and the amount of support it is able to draw from the state, depend significantly on the skills of that NGO. The skills of Chinese NGOs are the subject of Chapter 5. In this chapter, I criticize current analyses of the capacity-building needs of Chinese NGOs for their insufficient attention to the particular political, institutional and cultural context in which Chinese NGOs operate. While Chinese NGOs appear to lack many basic skills and capabilities as defined by standard NGO capacity-building programmes, they clearly possess the necessary skills that enable them to survive and develop in the specific environment of contemporary China. In this environment, there are often good reasons for 'bad' or 'irrational' management practices of NGOs. Therefore such practices should not be attributed to NGOs' lack of capacity.

While NGOs possessing the kinds of skills described in Chapter 5 are able to carve out a niche for themselves in contemporary Chinese society, it is clear that some of these skills are also likely to result in their dysfunctionality in serving the interests of their clients or members. The dysfunctionality and limitations of

Chinese NGOs are the focus of Chapter 6, which explores their causes. It highlights some key factors that negatively affect the performance of Chinese NGOs and constrain their benevolent actions. These factors include certain aspects of the state's NGO policy; limited state capacity to curb the improper and illegal activities of NGOs; NGOs' dependence on the state; problems with NGO workers' motivations and the methods they use to achieve results; and certain features of China's political culture.

Chapter 7, the conclusion, reflects on change and continuity in state–society relations in post-reform China as revealed by this study of Chinese NGOs. I suggest that the most significant change and continuity can be summarized in the notion of dependent autonomy. On the one hand, the general dependence of NGOs on the state proves that, although many important changes have taken place in state–society relations after three decades of reforms, these have not amounted to revolutionary changes. On the other hand, the high degree of *de facto* autonomy many NGOs have enjoyed indicates that the state is no longer able to control society tightly. This is partly the consequence of the state losing control over its own agents. The extraordinary freedom enjoyed by some NGOs, especially in pursuing activities that are of dubious legality and do not necessarily serve the public interest, would not have been possible without the protection and assistance of their bureaucratic patrons and friends. The weak state capacity for imposing discipline on NGOs, however, may not augur well for the development of civil society in China. It may actually lead to an uncivil society, where rules do not exist or are ignored, and organizations that are supposed to work for public interest may be used to serve illegitimate private interest instead.

2 Research on Chinese NGOs

Comparing different analytical frameworks

The first part of this chapter provides a summary of the existing literature on Chinese NGOs. I discuss the English- and Chinese-language literatures in two separate sections, as the two literatures are distinct in many aspects. This reflects the fact that researchers within and outside China have taken rather different approaches to the study of Chinese NGOs. After reviewing the existing literature, the second part of the chapter introduces the concepts and theoretical issues that inform my own study of Chinese NGOs and the analytical framework for this book.

The approach of overseas scholars

Civil society, corporatism and institutional analysis

Studies by overseas scholars[1] often employ some basic models of state–society relations as their analytical frameworks. Most studies compare the explanatory power of the two leading paradigms of state–society relations in the China studies field – civil society and corporatism[2] – and conclude that corporatism more accurately describes the relationship between Chinese NGOs and the state, although they are usually cautious not to dismiss the civil society model completely, allowing that certain elements of it may still be useful for understanding Chinese NGOs.[3] They then identify the particular features of the corporatist arrangements in China that distinguish them from corporatism in other places, labelling the Chinese variant 'state–socialist corporatism' (Shue 1994), 'socialist corporatism' (Pearson 1997), 'corporatism Chinese style' (Unger and Chan 1996), 'local corporatism', 'departmental corporatism' (White *et al*. 1996), and so forth.

The rejection of civil society as a primary interpretive framework by most overseas scholars is mainly on three grounds. First, it has generally been observed that Chinese NGOs enjoy only limited autonomy from the state, and many NGOs are in fact hybrid organizations in which state and society are interwoven. Hence they do not even meet the minimal definition of civil society, whose component organizations exist outside and independently of the state (Whiting 1991; Shue 1994; White 1994; Howell 1996a, 1998; Nevitt 1996; Unger and Chan 1996). Second, in contemporary usage the notion of civil society has been linked closely

to political modernization involving the empowerment of citizens and the delimitation of state power. Civil society organizations are often perceived as agents of democratization. This does not seem to square with the discoveries of researchers on the ground, who find that Chinese NGOs often perform better as the state's instrument of control over societal groups than as mechanisms for expressing and pursuing the interests of the latter (White 1994; Nevitt 1996; White *et al*. 1996; Pearson 1997; Yep 2000).[4] Furthermore, apart from some underground organizations, Chinese NGOs 'have neither an explicit nor an implicit democratic programme' (Howell 1998: 72). They 'do not serve as forums for critical public discussion of political affairs' (*ibid*.: 71), and the internal culture of these organizations hardly embodies any democratic spirit.

Finally, the civil society framework is considered inadequate because of the way it narrows our thinking. The notion implies a clear-cut distinction between state and society, which may cause researchers to overlook the frequent blurring of the boundary between them in contemporary China (Perry 1995; Yep 2000). In addition, the impetus behind the formation of NGOs in China has come from both state and society, but the civil society notion tends to direct our attention solely to the impetus from society. 'An analysis which privileges civil society over the state leads to only partial explanations', writes Howell, 'as attention becomes focussed on the autonomous, voluntary and spontaneous characteristics of these organizations at the expense of their relationship with the state. It implicitly assumes an oppositional and conflictual relation with the state, neglecting the cooperative dimensions' (Howell 1994: 107).

All these seem to suggest that corporatism is a more adequate tool for analysing Chinese NGOs. As Baum and Shevchenko aptly summarize: 'The principal attraction of corporatist models is their ability simultaneously to acknowledge the pluralizing socioeconomic changes induced by market reforms and the continued dominance of the Leninist party-state' (Baum and Shevchenko 1999: 348). However, like the civil society model, the corporatist interpretation has also faced challenges. It should be noted that even analysts who embraced corporatist models have felt it necessary to offer a few caveats. For example, White *et al*. (1996) point out that the associations they came across in their research exhibit a diversity of relationships with the state, with some organizations being more autonomous and voluntary than others, so they are best described as forming an organizational continuum stretching from a state-dominated extreme to a civil society extreme. Shue (1994) also writes about a 'state-corporatist continuum' of civil associations in China. Similarly, Pearson's comparison of three business associations shows that 'socialist corporatism does not exist uniformly in all business sectors', with some associations enjoying more autonomy than others, although she still thinks that 'there are sufficiently similar characteristics to consider them all part of a new socialist corporatist strategy' (Pearson 1997: 134–35).

By suggesting that corporatist relations between NGOs and the Chinese state form a continuum from one state-dominated end to another end with a high degree of societal autonomy that approaches the civil society model, exponents may have

increased the elasticity of the corporatist interpretation. Still, the model has been attacked from two opposite directions.

Yep (2000) studied the same business associations on which advocates of corporatism have largely based their analyses, but he believes that the usefulness of the model is rather limited. As Yep points out, corporatism is essentially a system of interest representation that involves political exchange between the state and organized social interests. For corporatism to work, there must be effective mechanisms for aggregating and communicating social interests. In addition, the specific social group that enters into corporatist exchange with the state also needs to have a strong internal cohesion. On both counts, Yep finds that business associations in China fall short of the corporatist definition. First, they are too dominated by the state to be able to play effective interest aggregation and communication roles. Second, instead of promoting horizontal integration within the business sector, these organizations actually hinder such integration, as business managers are disaggregated into different associations according to types of ownership (privately owned, collectively owned, etc.) and the scale of their enterprises. In short, to Yep 'there may be forms of corporatism emerging in China, but not in essence' (*ibid*.: 548).

Even Howell, who once offered corporatist analyses of associations in China in the book she co-authored with White and Shang (White *et al*. 1996), seems to have moved some distance away from that position. In a later article she has inclined to a view similar to Yep's:

> In the Chinese case … there is little evidence of involvement of the new social organizations in central government policy. This suggests first that in the post-Tiananmen period the balance of power between social organizations and the state is in favour of the latter; secondly, that control and coercion constitute the *leitmotiv* of the state, but by no means the only factor, in its relationship with these new social organizations; and thirdly, that the power of these new organizations is not yet sufficient to be drawn into the policy arena. Thus it would be more accurate to describe the relationship between the party/state and the new intermediary sphere as one of *incorporation* rather than corporatism *per se*. (Howell 1998: 63)

The strongest objection to the corporatist analysis on the ground that it obscures state dominance over social organizations has come from Foster, whose investigation of business associations in the coastal city of Yantai leads to the conclusion that these entities are 'in essence appendages of government or Party organizations' (Foster 2002: 42). The closeness and, in many cases, overlapping of the business associations and their sponsoring government agencies in terms of personnel, office space, daily operations and functions suggest that it makes more sense to view these associations as part of the government's organizational complex than as NGOs.

The corporatist analysis of Chinese NGOs has also been criticized from the opposite direction. While disagreeing with the civil society model, Saich (2000)

also faults corporatist interpretations for overestimating the capacity of the state to enforce its will on NGOs, while underestimating the ability of NGOs to circumvent or deflect state intrusion. Saich stresses that NGOs in China are able to negotiate their own niches with the state, and they often 'subordinate' themselves to the state of their own volition, as this allows them to have more impact on policy-making and to pursue their members' interests and organizational goals more effectively than if they had remained completely autonomous.

Seeing that the analytical value of both civil society and corporatism has been challenged, Ma (2006) proposes a way out: applying both concepts simultaneously. She argues that economic NGOs that are organized top-down fit the corporatism model, while those that are organized bottom-up should be viewed through the civil society lens. Ma's solution can be seen as a variation on the corporatism–civil society continuum thesis. It highlights the difficulties scholars have had in using either corporatism or civil society to explain the development of NGOs in China.

Whether corporatism, civil society, a continuum from corporatism to civil society, or a particular mix of the two, it all boils down to a state-versus-society framework – what Perry (1994) has termed the 'state–society paradigm'. This state–society dichotomy has formed the basis for most existing studies of Chinese NGOs by overseas scholars, even though many of them acknowledge that the boundaries between state and society are often blurred. Under the influence of the state-versus-society framework, scholars become preoccupied with discussing the degree of autonomy from the state enjoyed by NGOs,[5] even while acknowledging that Chinese NGOs are mostly mixtures of state and society. In their eagerness to identify general patterns of state–society interaction that can accommodate the variations in the relationship between NGOs and the state revealed in their empirical data, many analysts have also failed to explore these variations further to see what interesting discoveries and insights they might lead to.

That is why the few exceptions to this general thrust of international scholarship on Chinese NGOs are particularly worth mentioning. Perry (1994) has suggested that a deeper understanding of Chinese politics requires researchers to move beyond the state–society dichotomy by disaggregating the crude and unwieldy categories of 'state' and 'society'. The following three studies are good examples of such an approach.

In his article on private business associations in Tianjin, Nevitt argues that the state–society paradigm is less useful than 'an institutional focus' for understanding these associations, by which he means 'a focus on the changing incentives and behaviour within the institutions of the party-state' (Nevitt 1996: 41). Nevitt compares two associations of private businesses in one city. One of these, the Self-Employed Labourers' Association (SELA), is comprised exclusively of small-scale private entrepreneurs. The other, the Industrial and Commercial Federation (ICF), serves larger private enterprises as well as joint ventures and township enterprises. Several factors suggest that the SELA might represent the interests of private business *vis-à-vis* the state more actively than the ICF. To begin with, the SELA collects membership fees, whereas the ICF does not; the

latter's entire budget comes from the municipal Communist Party. Second, the SELA's professional management unit is a government agency, the Industry and Commerce Bureau, whereas the ICF is directly supervised by the local branch of the Party. Finally, the membership of the SELA consists entirely of private entrepreneurs, whereas the ICF's membership is mixed.

Instead, Nevitt found that the ICF was far more active than the SELA in pursuing the interests of its private entrepreneur members. Although both organizations had a dual role, to perform control functions on behalf of the state and advocacy functions on behalf of their members, neither seemed to have balanced its two duties well. The SELA was too control-oriented and largely neglected its advocacy functions, while the reverse was true of the ICF. Not only did the SELA and the ICF display very different behaviour despite having similar missions, but the practice of their district[6] chapters also diverged from that of the municipal-level organizations. The municipal SELA and ICF seemed to have balanced their dual roles better than their district chapters. In other words, relatively speaking the municipal SELA took its advocacy functions more seriously than its district chapters, while the municipal ICF was more restrained than its district chapters in pursuing its members' interests.

What accounts for these differences? Nevitt suggests the explanation lies in the different incentives guiding the careers of party-state officials who controlled the SELA and the ICF at different levels. He distinguishes between two career strategies for these officials. The 'ladder of advancement' strategy means that officials seek career advancement by trying to please their superiors, and this would entail carrying out faithfully the tasks assigned to them by the authorities above them. Officials who pursue the 'big fish in a small pond' strategy, on the other hand, choose to tie their fortunes to their local institutions and concentrate their energy on 'developing their own local networks of power and support' (Nevitt 1996: 38). Prior to the reforms, the 'big-fish' strategy did not make much sense, as under the command economy 'virtually all resources were allocated from higher levels and virtually all income was remitted to higher levels' (*ibid*.: 38). In other words, there was little water in the small pond to sustain big fish. After market reform and economic decentralization, however, the big-fish strategy has become a credible alternative to the traditional 'ladder of advancement' strategy.

This explains the difference between the behaviour of the SELA and the ICF, as well as between the municipal organizations and their district chapters. Municipal-level officials have a much greater chance of advancing up the bureaucratic ladder than district officials. Consequently, officials who control the municipal SELA and ICF tend to execute their duties more conscientiously, which is why the municipal organizations have achieved a better balance of the control and advocacy functions. In contrast, officials at the district level are more likely to be attracted to the big-fish strategy. To develop their local economy and increase local resources, these officials attach more importance to the large private enterprises that are members of the ICF than to the peddlers, small retailers and restaurateurs who make up the ranks of the SELA. No wonder, then, that district ICF chapters went as far as helping their members to manipulate municipal-level policies in order to

pay less tax and enjoy preferential rates for services, while district SELA chapters hardly bothered to look after the interests of the petty private entrepreneurs in their charge. For similar reasons, the municipal ICF was also more interested than the municipal SELA in advocacy for its members, although, as mentioned before, at this level both organizations were more careful than their district chapters about balancing their dual roles.

A comparative study of private business associations has also been conducted in Beijing by Unger (1996). Although Unger did not conceptualize his study in terms of an 'institutional focus', his approach was very similar to Nevitt's, and he discovered exactly the same phenomena as observed by Nevitt. The three private business associations in Beijing included in his investigation – the SELA for small private business operators, the Private Enterprises Association (PEA) for medium-sized businesses, and the ICF for the largest entrepreneurs – displayed starkly different attitudes towards their constituencies. The SELA and the PEA were completely dominated by their supervising government agency and failed to represent the interests of their assigned private entrepreneur groups. The ICF stood at the opposite pole, and served the interests of its members 'beyond the goals of the state' (*ibid*.: 813). Unger identified as many as seven factors that might have contributed to the difference between the SELA and the PEA on the one hand, and the ICF on the other hand, and he hypothesized that these factors would also condition the behaviour of other associations in other parts of China. The factors range from the central government policy towards the particular social group an association is supposed to represent, through the nature of an association's supervisory agency, to the particular interests of local officialdom and the social status of an association's constituency.

The explicit and implicit institutional foci of Nevitt and Unger are illuminating because they take us beyond the state–society paradigm by disaggregating the 'state'; equally illuminating is Wank's (1995a) 'institutional explanation'[7] of the different attitudes of entrepreneurs in Xiamen City towards one particular private business association, which transcends the state–society paradigm by disaggregating 'society'.[8] When the Xiamen Civic Association of Private Industry and Commerce was abolished due to intra-bureaucratic conflict, Wank found that neither the small shop-owners nor the entrepreneurs of the largest trading firms among its members showed much concern. Those most upset by the suppression of the Civic Association were the owners of medium-sized firms that were beginning to expand from retail into wholesale trade. As Wank explains, the variation in entrepreneurial attitudes towards the Civic Association is related to the different strategies pursued by these entrepreneurs with regard to the state bureaucracy. In China's partially marketized economy, bureaucrats still have considerable control over the allocation of public resources, including resources in short supply such as bank loans and underpriced public assets. They also hold much regulatory power, which gives them discretionary control over fines, licences, fees and taxes.

In this context, private entrepreneurs have pursued one of two business strategies with regard to the bureaucracy. They may see the bureaucracy as an obstacle, and try to keep contact with it to a minimum. This strategy is widespread among

petty entrepreneurs, who 'perceive the demands by officials for cash pay-offs regarding taxes, fines and licences as arbitrary and predatory. By lessening interaction with officials, they seek to reduce bureaucratic interference in their enterprises' (Wank 1995a: 67). The other strategy sees the bureaucracy as a source of opportunity and seeks to increase contacts with it. This strategy is pursued by entrepreneurs running big firms, who form patron–client ties with officialdom in order to gain 'access to scarce commodities and restricted opportunities as well as to bureaucratic protection from policy fluctuations, central state campaigns, and harassment by local officials' (Wank 1995a: 68). As petty private entrepreneurs in Xiamen mostly pursued the first strategy, their indifference to the demise of the Civic Association is not very surprising. The largest private operators had already developed good connections with officialdom, so they did not need the Civic Association either. It was the owners of firms that were expanding from retail into wholesale trade who were most keen on the Civic Association. They did not enjoy bureaucratic patronage yet, but it would be crucial to their future business success. The Civic Association provided some bureaucratic protection for them, and the opportunity to develop contacts with officials. They were therefore the most disappointed when the Civic Association ceased operation.

As the studies by Nevitt, Unger and Wank demonstrate, institutional analyses that disaggregate 'state' and 'society' promise us a more nuanced understanding of Chinese NGOs than state–society binary thinking. To obtain more accurate and detailed knowledge of Chinese NGOs, researchers would need to pay closer attention to the diverse interests of the different actors within 'state' and 'society', and to explore more thoroughly the incentives, opportunities and constraints that shape their behaviour.

Classification of Chinese NGOs: degrees of autonomy from the state

The articles by Nevitt and Unger also demonstrate the inadequacy of another dominant habit of thinking in the field of Chinese NGO studies. If there is a single issue that has interested nearly all overseas scholars of Chinese NGOs, it is the degree of autonomy from the state maintained by these organizations. This interest is manifested by scholars' predilection for classifying Chinese NGOs according to this criterion. For instance, Whiting (1991) divided Chinese NGOs into quasi-governmental, semi-governmental and truly non-governmental. White *et al*. (1996) categorized them into four sectors: 'the caged sector', 'the incorporated sector', 'the interstitial, "limbo" world of civil society', and 'the suppressed sector'. Howell (1997) identified four broad types of NGO based on the criteria of autonomy, spontaneity and voluntariness: mass organizations, semi-official organizations, popular organizations, and illegal organizations.

Researchers who focused on NGOs in a specific field have equally considered an organization's relative autonomy from the state as the most important attribute in classifying these organizations. For example, N. N. Chen, who studied *qigong*[9] associations, saw them as forming four main categories: 'official bodies', 'legitimate and public groups', 'popular, informal groups', and 'underground

associations' (Chen 1995: 354). Knup (1997), who examined environmental NGOs in China, produced three categories with varying degrees of autonomy from the state: government-organized NGOs, individual-organized NGOs, and voluntary organizations.

The classification of Chinese NGOs according to their degree of autonomy suggests that researchers often consider an organization's relative autonomy to be a vital clue to its behaviour and function. However, the business organizations in the studies by Nevitt and Unger all belong to the category of government-organized NGOs, but they display vast differences in the way they go about their business. This suggests that where an NGO stands on the autonomy scale may be of limited value in either predicting or explaining its behaviour. An even bigger problem with the autonomy-based classification of Chinese NGOs is that although researchers have equated the extent of an organization's official links with its degree of autonomy, these two things do not always go hand in hand. To refer again to the organizations in the studies of Nevitt and Unger, the ICF is actually a mass organization (the least autonomous category in the various classifications cited above), whereas the other business organizations are all in the next category, which is supposed to have more autonomy. As we know, the empirical data showed that the ICF in fact acted with more autonomy than the other organizations. In later chapters, more examples are presented to demonstrate that the actual degree of autonomy a particular NGO maintains is often not as obvious as its formal connections to the government may suggest. In practice, an officially organized organization may well enjoy more freedom of action than a purely popular organization. Therefore to classify Chinese NGOs into 'quasi-governmental', 'semi-governmental' and 'truly non-governmental', or similar categories, may sometimes create a false sense of distinction between NGOs with different official links, and may actually mask some universal features in their interactions with the state and their constituencies.

The approach of China-based scholars

The post-totalist society and the dual nature of Chinese NGOs

Unlike their colleagues abroad, China-based scholars seem to disagree little among themselves concerning the nature of NGO–state relations in China. Neither civil society nor corporatist theories hold much attraction for them. They consider both concepts unsuitable for analysing the Chinese realities, as they fail to recognize the vast power retained by the state over society (e.g. Kang 2001b; Shen and Sun 2001). Some scholars also accuse them of being 'abstract' and 'macro' theories, which are not very practical when it comes to describing the actual behaviour of Chinese NGOs or interpreting complex empirical data (Kang 2001a). As natives of the society they study, Chinese scholars have an advantage in understanding the environment in which Chinese NGOs operate and in observing their actual behaviour. Therefore their major theoretical contribution to this field of study is a more specific explanation of the condition of state and society in China after the

reforms, and the particular characteristics of NGOs caused by the condition of post-reform China.

Two most important theoretical contributions by Chinese scholars are the concepts of the 'post-totalist society' and the 'dual nature of Chinese NGOs'. In their book on the fundraising strategies of the China Youth Development Foundation (CYDF), a famous top-down NGO under the aegis of the Communist Youth League (CYL), Sun *et al.* (1999) use the term 'post-totalist society' to describe the environment of Chinese NGOs. As they explain, before the reforms Chinese society could be called a 'totalist' society, which was characterized by the state's monopoly of most resources as well as most of the space for economic and social activities. By the time the CYDF was founded in 1989, a decade of market-oriented reforms had put Chinese society well on the path towards a post-totalist society, characterized by the emergence of 'free-floating resources' and 'free operating space' – important resources that are no longer controlled by the state, and opportunities for people to use the resources now in their hands. On the other hand, the state still holds considerable sway over the economic and social realms in a post-totalist society. Political and administrative authority still can penetrate all other spheres and exert heavy influence on the workings of the market, although compared with totalist society, such authority is more likely to be exercised in irregular and informal ways. In short, a post-totalist society is a transitional stage between a totalist society and a society with a fully developed market economy (*ibid*.).

The emergence of a post-totalist society not only creates the possibility for NGOs to develop, but also determines the pattern of their behaviour. The study of Sun *et al.* shows that the huge fundraising success of the CYDF can be attributed to its skill in exploiting resources both within and outside the state, or, to use the expressions of Chinese scholars, both 'resources within the system' (*tizhi nei ziyuan*) and 'resources outside the system' (*tizhi wai ziyuan*). As Sun *et al.* point out, given the continued pre-eminence of political and administrative power, if an organization like the CYDF separates itself from the 'system' and fails to use its political advantage as a top-down NGO with strong ties to the system, it would find it very difficult, if not entirely impossible, to mobilize social resources on a significant scale. On the other hand, if the CYDF has relied solely on its ties to the system, it would not have achieved its tremendous success either. There are two reasons for this. First, the state's dominance over society has, after all, been weakened in a post-totalist society, so if NGOs want to tap into societal resources outside state control, they would need to do so on their own. Second, the CYDF is sponsored by the CYL. Although it can easily use the resources controlled by the CYL, to gain access to resources belonging to other state organizations would be a very different matter. To do so also requires that the CYDF apply its own initiative.

Therefore the lesson from the CYDF case study is that any NGO that wishes to survive and do well in today's China must be able to utilize resources both inside and outside the state. This has inevitably contributed to the 'dual nature' (*shuangchongxing*) of Chinese NGOs, a judgement widely shared by Chinese

scholars. The dual nature of Chinese NGOs was first raised by Wang, Zhe and Sun after they studied social organizations in Xiaoshan city in the early 1990s. More specifically, they suggested that Chinese social organizations can be described as 'semi-official, semi-popular' (*ban guan ban min*) in nature.[10] This is reflected in every aspect of these organizations' existence. For example, motivations for the establishment of social organizations come from both the government and society; they perform both management functions on behalf of the state and service functions on behalf of their members; and their leadership positions are shared between government officials and representatives selected from their members (Wang *et al*. 1993).

The study of the CYDF has demonstrated more vividly the dual nature of Chinese NGOs. In his book on the CYDF, Kang distinguishes between two modes of operation that the CYDF employs simultaneously: administrative (*xingzhenghua*) and 'socialized' (*shehuihua*). The former means drawing on the state's extensive organizational network and administrative authority to do things. The latter means reaching out to society directly instead of enlisting the aid of the state apparatus. Take fundraising as an example: when CYL branches in work units all over the country collect money from their members, then give it to the CYDF as collective donations in the name of the work units, it is typical administrative means at work. Socialized fundraising, on the other hand, relies on methods such as charity concerts, newspaper and television advertising, and direct mailing. Kang (1997) points out that, under present circumstances, combining administrative and socialized modes of operation is the most sensible strategy for Chinese NGOs. His argument was echoed by Sun *et al*. (1999), whose entire book was dedicated to illustrating the adept combination of administrative and socialized mobilization techniques by the CYDF.[11] As socialized methods were still a novelty in China when first introduced by the CYDF, they made the Foundation wildly successful in drawing popular support to its cause.

Strategies, motivations, governance and legitimacy

The English-language literature on Chinese NGOs is predominantly a political science literature, mainly concerned with broad issues such as state–society relations and the political and social consequences of market reforms. In contrast, much of the Chinese literature, especially a large number of case studies of individual organizations, is more in the tradition of NGO studies. It examines NGOs' management structures, their performance indicators, their relations with constituents, etc. The Chinese literature is therefore a useful source of concrete information on some specific issues concerning Chinese NGOs, for example, who the NGO leaders are, how NGOs are set up, the motivations of NGO staff, and the governance structures of NGOs. The most interesting materials in this literature, however, have to do with the strategies used by NGOs to exploit the institutional environment of a post-totalist society in order to gain advantage for themselves, such as the fundraising strategies of the CYDF discussed by Kang and Sun *et al*. The materials on NGO strategies have shown that, far from being helpless victims

of state stricture, NGOs in today's China can find many ways to evade state control and even to use the resources of the state to advance their own interests.

Particularly interesting in this regard is the analysis by Gao Bingzhong of NGO strategies to gain legitimacy. As mentioned in Chapter 1, despite government regulations that outlaw any unregistered NGO, many such NGOs have continued to exist and operate openly. One explanation for this, as suggested by Gao, is that in present-day China NGOs do not need 'full legitimacy' in order to survive. Many NGOs have come into being with only 'partial legitimacy', then try to gain full legitimacy using their partial legitimacy. Partial legitimacy consists in three forms: social legitimacy, administrative legitimacy, and political legitimacy.[12]

Social legitimacy can be based on tradition, common interests or common values. For example, the two decades after the reforms have seen the revival of many folk societies organized around the worshipping of local deities, which had been banned by the state for decades as 'feudal superstition'. These societies enjoy wide local support, as they carry on traditions going back many generations, and cater to popular beliefs in theism, fatalism and retribution. The days when sacrificial rites are performed are organized into local festivals with folk art performances and temple fairs. These attract many local people, who come to take part in the commercial and cultural activities and to see friends and relatives, in addition to worshipping the deities. In other words, the societies' activities also serve some important common interests. Because they build on tradition, common interests and common values, these societies enjoy social legitimacy, which has been the precondition for their existence (Su *et al*. 1999: 319–36).

An NGO's administrative legitimacy derives from its association with the state administrative system. It can be obtained in many different ways, for example, receiving the backing of government agencies or officials, having officials as members, or being allowed to take part in government-organized activities. In 1998, Peking University did a survey of its local alumni associations. From the survey data, Gao found that only 23 per cent of the 38 associations had been registered by Civil Affairs. The rest either never applied for registration, or had had their applications turned down. The fact that the unregistered associations were nevertheless able to exist can be explained by their administrative legitimacy, as the top posts in these associations were, without exception, held by high-ranking local officials. Gao used an example to demonstrate the power of administrative connections: on the occasion of the centennial celebration of the founding of Peking University in 1998, the alumni association in Heilongjiang Province gave its *alma mater* a pair of very expensive carved vases as a present. They were similar to the pair of vases placed in the Heilongjiang Room in the Great Hall of the People, except that they were bigger – even bigger than the pair of vases presented as the official gift of the provincial government to the Hong Kong government in 1997 to celebrate its return to China. Note that this resourceful alumni association did not even have a legal status, as it was not registered (Su *et al*. 1999: 337–54).

Finally, NGOs gain political legitimacy by showing that they accept the existing political order and conform to state ideology. As political legitimacy is crucial to the survival of NGOs in China, the vast majority of them go beyond a minimalist

position (of not violating the political standards set by the state), and try to demonstrate that they actively support the state's goals and policies. For example, the Peking University Alumni Association describes its purpose as, above all, 'to contribute our efforts to the socialist construction of our motherland, the reunification of our country, and the rejuvenation of China' (*ibid*.: 368). As Gao points out, an alumni association exists primarily to serve the common interests of its members. If the members want to serve their country, there are ample opportunities for them to do so in their own work units. Yet the chief purpose of the alumni association has been described as promoting the national interest, which shows how badly Chinese NGOs need political legitimacy to justify their existence (Su *et al.* 1999: 355–72).

Gao's study offers many good examples of clever manoeuvres by NGOs to gain or claim legitimacy. One typical legitimacy-gaining strategy of NGOs is to make partial government recognition or sanction look like full government recognition or sanction. Government agencies or officials may approve of certain functions of an NGO, or some of its activities, but the NGO will construe it as full approval or acceptance of itself by the government. In the example of a folk society that worships a dragon tablet, Gao recorded the speeches of several local officials and the leader of the society at two meetings during the annual dragon tablet festival organized by the society. The officials all affirmed the positive contribution of the festival to local economy, but avoided making an overall assessment of its nature. When it was the society's leader's turn to speak, however, he went straight to the most sensitive issue, the superstitious element of the festival, and interpreted the officials' positive comments as 'having removed the label of superstition from the festival' (Su *et al.* 1999: 350). In other words, the society and its festival could now lay claim to political legitimacy.

Deficiencies of existing research

Discussion of the post-totalist society and how it gives rise to the dual nature of Chinese NGOs is very useful in facilitating our understanding of these organizations. However, on the whole, academic research inside China has not moved very far beyond identifying this dualism.[13] Consequently, it shares the same problem with English-language studies that adopt the 'state–society paradigm'. As mentioned earlier, the state–society binary thinking can take us only so far, as it is inadequate for explaining the variations within the NGO sector. In fact, many NGO case studies conducted by Chinese researchers contain interesting information showing that individual NGOs usually have rather different relationships with different segments of state and society. However, most Chinese NGO researchers have not used such information for the kind of institutional analysis exemplified by the works of Nevitt, Unger and Wank, thus the dynamics of NGO development in China remains insufficiently explored.

The binary thinking that dominates NGO research in China is also reflected in the fact that researchers often draw sharp lines between 'officially organized NGOs' and 'popular NGOs', or between 'top-down' and 'bottom-up' NGOs, as

they are alternatively called. Some researchers have even carried the polarization of the two different types of NGO to the point of being inconsistent with their other analyses. For example, while talking about NGOs' dual nature, Kang asserts that they usually depend on both 'resources within the system' and 'resources outside the system', and they usually use both 'official' and 'non-official' channels to obtain resources (Kang 2001b: 3). When he tries to emphasize the difference between top-down and bottom-up NGOs, however, Kang claims that bottom-up NGOs are not able to access resources controlled by the government and they can only use socialized methods to raise funds (Kang 2001a: 45, 48, 73).

In overemphasizing the difference between top-down and bottom-up NGOs, China-based researchers have made a similar mistake to that made by many overseas researchers. The distinction between officially organized and popular NGOs is both useful and necessary in highlighting the different origins and consequently the different initial endowments of NGOs. However, as pointed out earlier, this does not mean that organizations with more government ingredients are inevitably less autonomous than those with fewer government ingredients, or that their goals, behaviour, and the strategies they adopt to pursue their organizational development are necessarily different.

The fact that Chinese researchers have drawn sharp lines between top-down and bottom-up NGOs must also be blamed on a general lack of understanding of the latter, and the unchallenged assumption that they stand in contrast with the former. Although a number of case studies of bottom-up NGOs have been conducted, they are usually not detailed and in-depth enough to give us sufficient insight into the workings of these organizations. Apart from some careful studies of the CYDF, a typical top-down NGO, and a couple of other case studies in a CYDF-sponsored book series, existing NGO case studies tend to be superficial, usually carried out within a very short time. Furthermore, these case studies can perhaps be said to have suffered from the managerial approach to NGO studies. The researchers who carried out the case studies turned for inspiration to the literature on non-profit organization management in the West, and used their case studies to describe the formal structures and functions of the organizations. Such information is obviously useful for building up a database of Chinese NGOs, but it is far from certain whether these are the most urgent issues that need to be researched. Non-profit organizations in Western countries operate under very different political, legal and economic conditions from those faced by Chinese NGOs, and issues that are of great importance to Western non-profit organizations may not be so important or relevant to Chinese NGOs at the present time.

To give just one example, similar to Western non-profit organizations, most Chinese NGOs have a board of directors, which is supposed to determine major policies and exercise supervision. However, it is commonly known that the governing boards of many Chinese NGOs are mere figureheads and have no real control over the actions of the NGO. When asked about her organization's board of directors by a researcher, the General Secretary of the Yilong County Rural Development Association gave a very candid answer. She had visited the USA and felt that NGOs' board of directors there performed very useful functions.

'But ours is a sham. So why should I spend my energy on a sham? These mere formalities of democracy have no real meaning even if we perform them' (Yang 2001a: 83). While NGO managers decide not to waste time on their figurehead boards, some researchers continue to devote their time to describing the formal governing structures of NGOs instead of analysing the real decision-making processes within them. At this stage of NGO development in China, one suspects that many overseas researchers are at least right in prioritizing political analysis over managerial analysis, as most Chinese NGOs are still fluid entities that have yet to take mature organizational forms. They can easily produce mission statements, constitutions, management structures, and rules and procedures that may have little bearing on what actually happens. Before they can effectively assess the management of these organizations, researchers need, first of all, to find out what is really going on, and why – in other words, the politics behind the management issues.

Conceptual foundations of the study

My own analysis of Chinese NGOs has drawn inspiration from existing studies, particularly institutional analyses that explain NGOs' behaviour by taking into account the existence of divergent interests, motivations and attitudes within both state and society. I have also drawn on some analyses of the political economy of reform-era China. Below is a summary of the relevant concepts and discussions in studies of China's political economy, which I have explored and related to my analysis of Chinese NGOs. This is followed by a description of the analytical framework of this book.

The political economy of transitional China

Political economic studies of post-reform China provide important insights for my analysis of NGOs. Particularly relevant are studies of private businesses and their relationship with the state, and studies of 'state entrepreneurialism' and corruption in the reform era.

A detailed review of private business–state relations in China is provided in Chapter 4. Here I briefly summarize the key findings of major studies. These studies conclude that the growth of private businesses in China has not led to the formation of a civil society that pushes for political change, as analyses and forecasts influenced by modernization theory have posited. Instead, these studies find that private entrepreneurs operate by forging patron–client networks with state officials, who still control many vital resources and opportunities in China's partially marketized economy (Solinger 1992; Bruun 1993; Pieke 1995; Wank 1999). Private entrepreneurs depend on such networks to conduct their businesses. In other words, although reform has created a new social group that controls autonomous economic resources, this has not amounted to the rise of an independent social force that is interested in reshaping the political system, thereby challenging the authority and domination of the state. The development of private businesses has

not removed the dependence of societal actors on the state. It has only changed the forms of such dependence.

Reform has also brought changes to the Chinese state. In analysing the behaviour of state agencies in the new era, some scholars have developed the notion of 'state entrepreneurialism' (or 'entrepreneurial state'). It refers to the widespread phenomenon of state agencies engaging in business activities to make profits for themselves. As one study describes this phenomenon:

> Since the late 1980s, but especially in the 1990s, individual departments across the state system have been setting up new profit-seeking, risk-taking businesses. These businesses vary from small trading companies that operate from the departments' own premises, to large department stores and real estate development corporations. But all are invested in by those departments, and are staffed by former bureaucratic employees. Most importantly, their earnings are shared with their parent department. (Duckett 1998: 3)

The businesses set up by state agencies may or may not be related to the regular administrative functions of the agencies. For example, Duckett's (1998) study found that municipal and district real estate management bureaux in Tianjin had set up many real estate development companies since the mid-to-late 1980s, capitalizing on their privileged access to land, which was still administratively rather than competitively allocated. On the other hand, these bureaux had also set up many other businesses, such as trading companies and department stores, which fell outside their bureaucratic sphere of responsibility.

Although Duckett acknowledges that state entrepreneurialism often involves the exploitation of their bureaucratic power and position by state agencies, she argues that this is different from corruption, as the profits gained from such ventures go to the state bureaux rather than individual officials. This argument is tenuous at best. According to a study by Lin and Zhang (1999), state agencies use the profits generated by their businesses in three common ways, one of which is to share them among agency employees. This can take various forms, including bonus payments, free or subsidized consumer goods, the provision of housing and other communal facilities (e.g. canteens and cable TV), and group consumption (e.g. banquets, junkets and entertainment). Therefore at least some of the profits gained from state entrepreneurialism do go to individuals in the agencies. But instead of benefiting just the leaders of the agencies, the profits are shared among all the members. This often has the effect of muffling potential whistle-blowers. As one study of official corruption in China points out, corruption in the reform period takes place at both the individual and the organizational level. In the case of organizational corruption, 'illicit actions are taken not by a single individual or by collusion among individuals, but by a public agency to achieve material gains for the agency as a whole through the use of its power.' Arguably, organizational corruption has been one of the defining features of official corruption in the reform period (Lü 2000: 201, 193).

While the charge of corruption cannot be dismissed simply on the grounds that state entrepreneurialism benefits entire agencies rather than selected individuals within them, not all entrepreneurial undertakings by state agencies are considered corruption by the central state. Lin and Zhang (1999) suggest that most such activities take place in the grey areas of law and regulation. Although state agencies use some of the proceeds to satisfy the private interests of their members, often they also use part of the profit to fill the gaps in budgetary allocation. Originally, state entrepreneurialism arose partly as a response to budgetary shortfalls commonly faced by state agencies. The tenacity of this phenomenon, despite repeated attempts by the central state to contain it, is also partly attributable to the fact that state agencies justify their entrepreneurial activities by using some of the profits to finance their formal bureaucratic functions.

Dependent autonomy: the conceptual framework of this book

My analysis of Chinese NGOs has been informed by the concepts and theoretical discussions in the political economy literature. It is founded on separating two notions, autonomy and independence, which have so far been treated as interchangeable terms in studies of Chinese NGOs. I suggest that making a distinction between these is crucial to understanding Chinese NGOs. Chinese NGOs at the present time are best characterized as dependent on the state, but able to enjoy substantial autonomy. In exposing the dependence of NGOs on the state, I draw a parallel between NGOs and private businesses. I demonstrate how NGOs rely on various forms of support from the state to operate, just as private entrepreneurs rely on patron–client ties with state agencies and officials to run their businesses. I point to the structural and institutional conditions of China in its current transitional state, which make inevitable dependence on the state by both NGOs and private businesses.

In analysing the autonomy of Chinese NGOs, I link it to the behaviour and motivation of state agencies in the post-reform period. The transformation of the Chinese state as a result of the reforms has been one of the key issues of concern for China scholars. Most studies of the Chinese state under reform ask how the relative strength of central and local states and their relationship have changed. Many note a major weakening of the central government's ability to control local governments and officials and ensure their compliance with its policies. However, some scholars, notably those who developed the concept of state entrepreneurialism, take as their unit of analysis individual state agencies instead of the local state as a whole. They show that many state agencies have engaged in activities that primarily serve their own organizational interest rather than the collective interest of the territorial governments of which they are component parts, and in the process may often compete with other state agencies. In other words, reforms not only have increased the autonomy of the local state taken as a whole, but also have increased the autonomy of individual state agencies. As I demonstrate later, in many cases the autonomy of Chinese NGOs, especially officially organized NGOs, is a consequence of the increased autonomy of individual state agencies.

Sometimes the autonomy of the former is best seen as the extension of the autonomy of the latter.

I suggest that the general pattern of NGO–state relations in contemporary China can be summarized in the notion of dependent autonomy. I consider this notion to be superior to existing concepts and frameworks for the purpose of analysing and understanding Chinese NGOs. In this chapter, I have discussed the inadequacies of the concepts and frameworks that have been applied to the study of Chinese NGOs so far. Later chapters seek to demonstrate why dependent autonomy is a more suitable conceptual tool.

Although dependent autonomy reflects the general pattern of NGO–state relations in contemporary China, individual NGOs cannot expect automatically to receive a high level of support from the state, or to enjoy a high degree of autonomy. My research suggests that much depends on the skills of individual NGOs in 'working the system' in order to maximize both the support from the state and their autonomy. There are skilful NGOs among both officially-organized and popular NGOs. There are also unskilled NGOs in both categories. While the skilful organizations are carving out a comfortable niche for themselves, unskilled ones struggle to survive in the same environment.

In this book I chart the divergence of interests, goals and attitudes between different levels and agencies of the Chinese state. I also underscore the multiple divisions that exist within society, especially among constituents and staff of NGOs. Furthermore, I show that NGOs that have found a niche for themselves in contemporary China often represent the convergence of interest between segments of the state and society. In short, the disaggregation of the state and society[14] and an emphasis on their interpenetration constitute the basic analytical approach of this book.

Conclusion

While many overseas scholars have drawn inspiration from 'macro' theories such as civil society and, in particular, corporatism, Chinese analysts are right to question their usefulness in interpreting the reality of Chinese NGOs. Most overseas researchers have rejected the civil society paradigm, but corporatism seems to have captured the imagination of quite a few. Whether corporatism accurately describes the relationship between the state and the large number of business and trade associations that have come into being in the reform era is still in dispute, as attested by the papers of Yep (2000) and Foster (2002). In any case, it would be very difficult to apply the concept of corporatism to other types of NGO, such as foundations like the CYDF, social service organizations or non-governmental research institutes, as corporatism is essentially about interest group politics. Even if it has some heuristic value in understanding business associations in contemporary China, it is hard to see how the concept can aid our study of NGOs in the classical sense, namely organizations working for social and economic development that may or may not be membership organizations.

Therefore, when it comes to analysing the actual behaviour of a diverse array of Chinese NGOs, the concepts proposed by Chinese researchers seem to be of

more practical value. The distinction between resources within and outside the system, and between administrative and socialized modes of operation, for example, sheds light on the dual nature of many Chinese NGOs, while the idea of different types of legitimacy helps to explain why NGOs without legal status can still survive, and even thrive, in China despite the government's attempt to eliminate such organizations.

Chinese researchers, however, have not undertaken the kind of institutional analysis exemplified by the works of Nevitt, Unger and Wank. Such an approach recognizes the multifarious interests, agendas and perspectives within both state and society. It is the interactions of these diverse interests, agendas and perspectives, rather than simple state–society confrontation or cooperation, that constitute the basic environment for Chinese NGOs. Only by examining these interactions closely can we fully appreciate the complex nature of NGOs in contemporary China.

To study such interactions, I have developed a conceptual framework that is centred on the notion of dependent autonomy. In the following chapters, I use this framework to analyse the empirical materials from my research.

3 The autonomy of Chinese NGOs

Most scholars believe that Chinese NGOs lack autonomy. For example, Shue stated: 'We can be certain that the scope and intensity of associational life have recently greatly expanded in China … But most of these associations are by no means entirely self-constituted, nor do most of them apparently seek or enjoy much relative autonomy from the state' (Shue 1994: 83). Howell reminded us that 'the crucial difference in China … is the role of the state in actively sponsoring social organizations. As a result the autonomy of particular organizations varies while the overall autonomy of this intermediary sphere is curtailed' (Howell 1998: 69). Ma remarked: '… under China's macro-political reality … there are no truly autonomous non-governmental organizations in China' (Ma 2006: 11). Zengke He wrote: 'Many case studies find that civil organizations in China are not very autonomous at all' (He 2007: 6).

The reason Chinese NGOs are seen as lacking autonomy is that the majority are 'officially organized NGOs', and are therefore under government control. Furthermore, even the limited number of 'popular NGOs' are not able to enjoy full autonomy either. One only needs to look at the current 'dual management system' (*shuangchong guanli tizhi*) for NGOs to realize it, the argument goes. Current regulations require every NGO to place itself under the 'professional management' of a state organ with responsibilities in its area of work, in addition to being registered and vetted annually by Civil Affairs departments. The professional management agency holds a wide range of responsibilities, including supervising the NGO's 'ideological work', financial and personnel management, research activities, contacts with foreign organizations, and the reception and use of donations from overseas (State Council 1998a, 1998b; Ministry of Civil Affairs 2000). NGOs that do not comply with the dual management requirement are outlawed. Therefore, as one Chinese researcher summarizes the situation: the current legal framework ensures that no fully autonomous NGO can lawfully exist in China (Kang 1999: 222).

Although the NGO sector as a whole lacks autonomy, researchers generally believe that certain types of NGO are more autonomous than others. The consensus of researchers and NGO practitioners divides Chinese NGOs into two broad categories: the officially organized or 'top-down' NGOs, and the popular or 'bottom-up' NGOs. Top-down NGOs are less autonomous than bottom-up ones, as they are

initiated by the government and receive government funding, and many of their staff are actually government employees seconded from administrative agencies or service units (*shiye danwei*).[1]

The common belief that Chinese NGOs, especially officially organized NGOs, suffer from a lack of autonomy is based on two false equations. First, policy is equated with actual practice. Second, government support and the commitment of its resources are equated with control. Both equations do not bear scrutiny. Through the dual management system, the intent of the state is apparently to hold the NGO sector on a tight leash, but this does not mean that the state always effectively enforces its policy. Similarly, just because an NGO is launched by a government agency, with government resources, that does not mean it will not find ways to pursue its own independent agenda.

In this chapter I challenge the mainstream view that Chinese NGOs generally lack autonomy, and that officially organized NGOs are less autonomous than popular NGOs. The first section uses some examples of officially organized NGOs to demonstrate that, contrary to common beliefs, autonomy is not necessarily a practical issue with Chinese NGOs. The second section questions the assumption that popular NGOs are more autonomous than officially organized NGOs.

Officially organized NGOs

The case of the China Youth Development Foundation

The China Youth Development Foundation (CYDF) has undoubtedly been the most thoroughly studied NGO in China, thanks to its interest in sponsoring research on NGOs and its willingness to allow itself to be used as a case study. The CYDF's pedigree as a top-down NGO is indisputable. It was set up by the Central Committee of the Communist Youth League (CYL). Before launching the CYDF, the CYL first sought and obtained approval from the Party's Central Committee. It also asked the Secretariat of the Party's Central Committee to let one of its members serve as the honorary chairman of the CYDF's board of directors, to which the Central Committee consented (Kang 1997: 89–90). The CYL provided the CYDF with its initial registered fund of 100,000 yuan, its initial operational budget, and office space. Above all, the CYL supplied the CYDF's first staff from its own pool of cadres (Guo *et al*. 1999). The nature of the relationship between the CYDF and the CYL is best captured in the words of the CYDF's former general secretary, Xu Yongguang, who jokingly called the CYDF 'the son of the CYL's Central Committee' (Kang 1997: 253).

Given the highly top-down nature of the CYDF, one would expect to find a lame-duck organization under the tight grip of the state, which must constantly follow the cue of its supervisory agency, the CYL. Instead, various studies of the CYDF uncovered significant evidence of the organization's remarkable autonomy in pursuing its own goals. To cite just a few examples: in 1991, just when the CYDF was trying to develop a nationwide organizational network to implement its trademark programme, Project Hope, the Party's Central Committee and the

State Council jointly issued a directive ordering an overhaul of all existing Chinese foundations and a temporary halt to the approval of new ones. The directive also stipulated that national foundations are not allowed to set up local branches. The CYDF, however, continued to push forward the establishment of Project Hope local operations, but told them to call themselves Project Hope local 'funds' instead of 'foundations'. The CYDF's general secretary claimed that a foundation was an organization, whereas a fund was just a sum of money, so the creation of local 'funds' was not a breach of the directive (Kang 1997: 445–46; Zhou and Chen 1999: 212).

A further example occurred in 1993 when the CYDF entered into barter contracts using karaoke machines donated by the Dutch electronics company Philips. The CYDF decided to set up an information management system that would connect its headquarters in Beijing with the provincial Project Hope offices through a computer network. However, it did not have the money to purchase the many computers and other equipment necessary for the network. The person in charge of setting up the network suggested giving some of the karaoke machines to a couple of computer companies in exchange for the computers and the other network equipment that they needed. At the time, there was a government regulation that forbade foundations to sell goods donated by foreign companies or individuals. The CYDF person knew that the computer companies would sell their karaoke machines, therefore the barter with them would result in a violation of the regulation. Nevertheless it was carried out. Fortunately the barter did not attract the attention of the government and the regulation was later modified to allow the exchange and sale of donated goods (Kang 1997: 167).

The final example concerns the CYDF's handling of the sensitive issue of educational deprivation among poor rural children. In October 1989, the CYDF launched Project Hope, a programme that aims to raise money from the public to help poor children attend school. At this time, exposing the so-called 'dark side' of the country, such as poverty and educational deprivation, still carried some political risk. 1 October 1989 was the 40th anniversary of the founding of the People's Republic of China. Furthermore, in the early summer of that year, the country had just gone through a major episode of political turmoil. Therefore the Party had asked the media to concentrate on reporting the achievements of the country in the past 40 years. To raise money from the public, however, the CYDF would need to stress the fact that many Chinese children were still unable to receive basic education owing to poverty. Under the circumstances, the CYDF calculated that if it asked the CYL for permission to organize a press conference to launch Project Hope, as was the normal practice, the CYL would refuse to give its approval, which might result in the whole project being nipped in the bud. Consequently, instead of organizing a press conference first, the CYDF printed 500,000 copies of a letter of appeal and sent it to enterprises all over the country asking them to donate money to Project Hope. As Xu Yongguang described this move: 'By sending out the letter we achieved a *fait accompli.* We have already created the "trouble", now what can you do about it?' (Sun *et al*. 1999: 35) As it happened, nobody did anything about it. Three weeks after sending out the letter, the CYDF

held a press conference to officially launch Project Hope, which was attended by all the major news media in China (Kang 1997: 98–99; Guo *et al.* 1999: 20–22; Sun *et al.* 1999: 34–35).

These three examples suggest that NGOs can often find ways to get round the rules laid down by the state in the pursuit of their own agendas, and they may even defy government policies and regulations with immunity. As Xu Yongguang once said to the CYDF's staff: 'We will play "edge ball" to do even the things which should be done but which we are not allowed to do, let alone the things which nobody has explicitly said that we cannot do' (Kang 1997: 100).

Given that the dual management system puts NGOs under the direct supervision of their professional management units, at this point one might think that for an NGO to get round some minor state regulations is one thing, but to evade the control of its professional management unit is another, especially in the case of an NGO like the CYDF, which came into existence only because its professional management unit used its own resources to launch it. So, does the CYDF have to take its orders from the CYL? The following examples will help illustrate the relationship between the two.

Various studies of the CYDF have all concluded that an important factor behind its success is that it has a very enlightened supervising agency, which has allowed it to conduct its own business with minimal interference. The CYDF has been able to choose its own staff from the very beginning. The CYL's Central Committee assigned only one of its staff members to the CYDF in the 11 years since its inception, and the assignment was in fact made at the request of the CYDF. It happened when the Central Committee set up a Project Hope Supervisory Office to monitor the use of the funds raised by the CYDF. The idea of creating a supervisory office was actually the CYDF's. According to Xu Yongguang, when the CYDF first put the idea to the Central Committee, the response was: 'All right, why don't you just set up this office yourself? One of your deputy general secretaries can serve as the director of this office.' The CYDF then insisted that the supervisory office should appear to have been created by the CYL Central Committee. Xu Yongguang said to the Central Committee: 'Even if this is just making a show, you should at least make it look genuine.' Thereupon the Central Committee appointed one of its staff members the director of the Project Hope Supervisory Office, but this person was in fact chosen by the CYDF first.[2]

Not only was the Supervisory Office created at the suggestion of the CYDF, but it was also hosted in the CYDF's office[3] rather than the office of the CYL. Furthermore, except for the first year, the entire outlay of the Supervisory Office (including the salaries and welfare benefits of its staff) was paid by the CYDF instead of the CYL (Kang 1997: 160). When the director of the Supervisory Office was interviewed, he spoke enthusiastically about the great opportunities the CYDF offered its staff, all the while referring to it as 'our organization'. As the interviewers concluded, he completely saw himself as a member of the CYDF instead of a supervisor from the outside (Guo *et al.* 1999: 265). Putting these facts about the Supervisory Office together, one can hardly conclude that the CYL has tried to place the CYDF's financial operation under close supervision.

As soon as it was set up, the CYDF asked the Central Committee for permission to take advantage of the CYL's organizational resources to raise funds. The Central Committee agreed, and promptly asked all its departments and subsidiary units actively to support the CYDF's work. In its early years, the CYDF relied entirely on the CYL's nationwide network to implement Project Hope. With its meagre initial resources, the CYDF was able to hold the first Project Hope national conference only by 'getting a lift' in a CYL national conference – by making the Project Hope meeting part of the agenda of the CYL conference. At that conference, the Central Committee asked the Young Peasants Department of the CYL at all levels to assist the CYDF with implementing Project Hope in their own areas. Cadres in local-level departments were told that they should make Project Hope-related work part of their routine job and combine it with the CYL's other work in poverty-stricken areas (Sun *et al*. 1999: 46).

Because the CYDF depended so much on the CYL's network, which was mobilized by commands from the Central Committee, many local CYL branches thought that the right to use the name of Project Hope belonged to the CYL Central Committee. This meant they did not need to seek approval from the CYDF if they decided to carry out activities in the name of Project Hope. Feeling that its ownership of Project Hope was being challenged, the CYDF then began to assert that Project Hope belonged to it, not to the CYL Central Committee, and that the CYDF and the Central Committee were not the same thing (Zhou and Chen 1999: 210–11).

To counter the challenge to its ownership of Project Hope from the CYL's local branches, the CYDF promoted the establishment of local Project Hope funds to be managed by specialized offices separate from local CYL committees. Eventually every province set up such an organization.[4] These organizations are still under the aegis of provincial CYL committees, just as the CYDF is under the aegis of the CYL Central Committee, but at least they have independent identities. As government regulations prohibit national foundations from setting up local branches, the provincial Project Hope Fund management offices all have independent legal status and are not subsidiaries of the CYDF, but the CYDF has managed to gain some control over the provincial organizations on the basis of its ownership of Project Hope. The CYDF argued that the local Project Hope Funds were all part of the national Project Hope Fund, and should therefore be subjected to the overall supervision of the CYDF (Kang 1997; Sun *et al.* 1999).

Throughout the CYDF's wrestling with local CYL committees for control over Project Hope, the Central Committee consistently took the side of the CYDF rather than that of the local committees. At crucial moments, the CYDF always asked the Central Committee to put pressure on local branches to yield to its wishes, and the Central Committee never failed to oblige it. Because Young Peasants Departments at local level had initially been responsible for implementing Project Hope, they were reluctant to hand over the operations to the specialized Project Hope Fund offices set up later, but the Central Committee stood behind the CYDF and the Young Peasants Departments were edged out. Next, the CYDF wanted to have a say in the appointment of local Project Hope Fund managers. Originally the managers were appointed by provincial CYL committees, but the

CYDF demanded to share the authority with provincial committees. Again, the Central Committee lent its support to the CYDF (Kang 1997; Sun *et al*. 1999).

So far we can see that the relationship between the CYDF and the CYL Central Committee is hardly one in which the professional management agency dominates the NGO, denying it autonomy. On the contrary, we see the NGO gradually strengthening itself using the resources of its professional management agency. Most illuminating is Xu Yongguang's confirmation, in my interview with him, that initially the CYDF relied heavily on various support from the CYL Central Committee. Drawing from the CYDF's experience, he advised Chinese NGOs to make good use of government resources at the beginning, then to pay more attention to 'developing their individualities' later. As Xu Yongguang sees it, after their initial reliance on government resources, NGOs should take care to gradually 'grow their own wings'. Once they have grown their own wings, NGOs will gain more independence, and more independence will lead to a stronger bargaining position *vis-à-vis* the government. Although the current legal framework is not ideal, Xu Yongguang believes that it is still possible for NGOs to develop their autonomy. It was very interesting to hear Xu Yongguang discuss how the CYDF intended to repay its generous patron, the CYL Central Committee, which had allowed it to grow its own wings. By the CYDF's own admission, the Central Committee has never tried to place its people in the CYDF. One important reason seems to be that the Central Committee has been very satisfied with the CYDF's current management team. However, what if the Central Committee refuses to endorse the CYDF's choice of leaders in the future, when the current leaders leave? What if the Central Committee tries to send its own choice of replacements?[5] According to Xu Yongguang, the CYDF should then be prepared to 'play a dirty trick' on the Central Committee by using the board of directors against it. The CYDF's board of directors has never had a real say in its affairs. However, nominally it is the highest decision-making body of the CYDF (Kang 1997: 157). The chairperson of the board has always been a Central Committee official, but most of the board members have been picked by the CYDF itself. If the Central Committee tries to appoint its candidates to the CYDF's chief managerial positions in the future, the CYDF would simply ask the board of directors to veto them. As Xu Yongguang said confidently: 'The directors of the board will definitely follow our command.'[6]

Should this happen, it would not be the first time that the CYDF has played a trick on the Central Committee. During the interview, Xu Yongguang also told another story of how the CYDF tried to minimize the Central Committee's supervision of its personnel. The CYDF was supposed to report to the Central Committee the appointment of all its department heads, for the record. To avoid doing this, the CYDF abolished all the departments and reorganized them into seven 'centres' and one general office. Afterwards, it no longer had to report the appointment of its new middle-level managers to the Central Committee, as there would be no more new department heads.

From the CYDF's experience, we can see that Chinese NGOs indeed face many threats to their autonomy. However, the CYDF case shows that far from being passive victims of state stricture, NGOs can be skilful operators that adapt themselves

well to this environment. They can find ways to overcome the restrictions on their autonomy and even use the state's resources for their own purposes. But perhaps the CYDF is a unique case? What about other officially organized NGOs? Have they been equally able to enjoy significant *de facto* autonomy and to grow their own wings? The following section looks at the experience of some other officially organized NGOs.

Other cases of officially organized NGOs

We start with mass organizations, the most 'official' of all NGOs.[7] While studying associations in China, Unger and Chan discovered a strategy that mass organizations had used to gain more freedom from state oversight. The strategy was to sponsor other NGOs to do things that were inconvenient for the mass organizations to do themselves. It is worth quoting here two examples that Unger and Chan came across.

> The All-China Federation of Industry and Commerce is currently engaged, as a deliberate strategy, in establishing other associations that will come under its umbrella. With the Federation as intermediary, these new organizations will be one degree further removed from direct government intervention, both local and state. In June 1993, as just one example, it sponsored the establishment of a national Private Enterprise Research Association. The inaugural convention in Taiyuan, Shanxi, was financed by wealthy Shanxi entrepreneurs and brought together wealthy businesspeople and Federation officials from throughout the country, along with some sympathetic central government officials. Under the Federation's auspices, in the guise of this 'research' association, new direct cross-provincial organizational linkages among the businesspeople are being cemented, overleaping regional governmental administrations. (Unger and Chan 1996: 116)

> In a similar vein the Shanghai municipal trade union federation has sought to establish a financially independent research association, with the intent that it would lobby for workers' rights to an extent that the union federation as a government-aligned organ cannot. We were told by Shanghai union leaders in mid-1993 that the explicit strategy is to create an intervening layer of sponsorship so as to buffer the new association from the municipal and national governments' writ. (*ibid*.: 117)

Some subsidiary organizations sponsored by mass organizations have acted with little restraint, until the situation got out of hand. For example, a subsidiary of the China Science and Technology Association, the China Scientific and Technological Development Foundation, turned itself into an illicit bank by accepting deposits and making out loans, until it lost millions of yuan. Its cashier was arrested while trying to flee the country after embezzling over eight million yuan. A person who carried out political activities considered potentially subversive by

the government was found to be using an NGO for his cause. When the authorities investigated the case, they expected to find the NGO an unregistered, hence illegal, organization, so that the person could be found guilty on that ground, but the organization turned out to be a legitimate NGO, as it was a subsidiary organization of the China Federation of Literary and Art Circles. The person was able to persuade the Federation to sponsor his NGO because he enjoyed good personal relations with a deputy president of the Federation.[8]

Mass organizations are not the only officially organized NGOs that have engaged in sponsoring subsidiary NGOs. The practice has been widespread among other officially organized NGOs as well, a phenomenon described by Civil Affairs officials as 'big social organizations approving small social organizations' (*da shetuan pi xiao shetuan*). Some NGOs that were unable to register as independent organizations because they failed to satisfy some of the registration prerequisites had followed the strategy of 'hanging under' (*guakao*) registered NGOs as second-level organizations. Some second-level NGOs went on to sponsor third-level NGOs, until in extreme cases fifth-level NGOs had been found to exist (Chen 1997: 25). The host NGOs usually charge a 'management fee' for providing the sponsorship. Once they have collected the fees, however, many host organizations are not interested in monitoring the activities of the NGOs they sponsor, leaving them to enjoy complete operational freedom.[9] To plug this loophole in its NGO management regime, the new government regulation in 1998 stipulated that NGOs' subsidiaries would also need to be approved by both their professional management units and Civil Affairs departments. A document jointly issued in 1999 by the Party's Central Committee and the State Council on strengthening the management of NGOs further ordered a clean-up of all existing subsidiaries of NGOs.[10] However, when I interviewed the director of a national-level officially organized NGO in 2000, he revealed that he was still allowing a few second-level NGOs under his organization to operate, even though the ministry that was the professional management unit of his organization did not approve them. As this director said: 'After all we are former officials of the ministry, so we are not afraid of the ministry. Besides, I think these NGOs are doing good things. As long as they are doing good things, I am not afraid of providing protection for them.'[11]

Officially organized NGOs can sometimes be so unafraid of their professional management units that they even try to fire them. An interesting case concerns the China Flowers and Plants Association, which was an NGO under the Ministry of Agriculture. The Association was very successful in achieving financial self-sufficiency, and had a net income of around six million yuan each year, part of which the Ministry of Agriculture took away. The Association wanted to break away from the Ministry and have the Central Afforestation Committee serve as its professional management unit instead. For that purpose, it obtained the approval of a State Council Vice-Premier. Unwilling to lose this profitable subsidiary, the Ministry of Agriculture protested to the Premier. The ruling of the Premier balanced all the different interests as well as saving everybody's face: the Association would be allowed to go to the Afforestation Committee first. Then, after two months, its professional management unit should be changed again into the Ministry of Forestry.[12]

The story of the China Flowers and Plants Association demonstrates that professional management units are not always able to control the NGOs nominally under their supervision. In this case, the professional management unit had at least tried to control the NGO. In other cases, possibly because they can derive no concrete benefit, professional management units show no inclination to control the NGOs under their sponsorship, and neglect their supervisory duties. In one example, the China Life Science Society sponsored some *qigong* practices that nearly resulted in *Falun Gong*[13] style troubles for the government. When the central government investigated the Society afterwards, its professional management unit, the State Environment Protection Agency (SEPA), and the Ministry of Civil Affairs (MCA) both tried to shirk responsibility. The SEPA pointed out that it had sent a letter to the MCA the year before, stating that it no longer wished to be the Society's professional management unit, but it never received a reply from the MCA. The MCA responded that according to current NGO regulations, as long as no new sponsor had been officially approved, the existing professional management unit must assume full responsibility for an NGO's activities. Otherwise, it argued, government agencies would all shift the blame onto others if the NGOs under their supervision made trouble.[14]

This case is not unique. In a 1999 speech, a Vice-Minister of Civil Affairs acknowledged that weak government oversight of NGOs had often been the result of NGOs' professional management units and civil affairs departments trying to pass the buck to each other, rather than working together.[15] Maintaining effective control over NGOs has been a constant challenge for the state. The many cases of officially organized NGOs 'violating law and discipline' (*weifa weiji*), which are discovered every time the state launches a 'clean up and rectification' (*qingli zhengdun*) campaign to improve order in the sector, prove that many officially organized NGOs have been able to enjoy remarkable autonomy. The following is an amusing example: the China Cadre Education Association, an NGO under the Central Party School, was found to have engaged in illegal fundraising. The members of the association were all veteran cadres who took part in the Red Army's Long March in 1934–5. They sent a document on a red letterhead (*hongtou wenjian*)[16] to Heilongjiang Province, in which they asked for five million yuan to build a Long March memorial, and claimed that their action had been approved by the head of the Party, Jiang Zemin, himself. In fact, what happened was that members of the Association were present at a function to commemorate the Long March, which was attended by Mr Jiang. At one point, when Mr Jiang was moving around the crowd to greet people, he stopped to shake hands with a member of the association. The person seized the opportunity to say something like: 'Mr General Secretary, we are going to build a memorial to commemorate the Long March.' Not knowing what the person was talking about and with no time to find out, Mr Jiang merely nodded politely and said 'good, good' before moving on. On the basis of this brief encounter between Mr Jiang and its member, however, the Association subsequently claimed that Mr Jiang had been personally informed of the project and had given it his blessing.[17]

The China Cadre Education Association appears to be a typical example of the so-called 'retired officials' re-employment project' (*laoganbu zaijiuye gongcheng*), a sarcastic reference to the phenomenon of NGOs being created to allow retired officials to continue to enjoy some influence, as well as extra income. Sometimes incumbent officials set up NGOs shortly before they are due to retire, so that they can move to a leadership position in the NGO afterwards. Some of these NGOs are used mainly for the personal benefit of the retired officials. For example, they hold annual meetings in tourist resorts so they can enjoy a free holiday. They also use these NGOs to reimburse their expenses on foreign trips. Relying on their seniority, some of these former officials even refuse to allow civil affairs departments to exercise their supervisory authority over the NGOs they control, causing the departments a big headache.[18]

Sometimes retired officials may not be involved in NGOs directly, but may use their influence to protect unregistered NGOs or to help NGOs that do not meet the requirements to register. Needless to say, retired officials are not the only ones who practise favouritism. Incumbent officials also use their influence and authority to shield NGOs that enjoy special relations with them (Chen 1997). As the director of the MCA's Popular Organization Management Bureau (POMB) complained, these officials intervene irresponsibly on behalf of problematic NGOs to enable them to be set up, but later, when these NGOs get into trouble, they try to shift the blame onto others. The problem of officials ignoring the rules while helping their friends has been so widespread that the 1999 directive issued jointly by the Party's Central Committee and the State Council specifically warned all Party and government officials to abide by laws and regulations and not to interfere in the state's management of NGOs. The 1999 document also made it clear that in future, if NGOs were caught engaging in illegal activities, not only would their managers be punished, but their professional management units would be held responsible as well. The threat to punish NGOs' professional management units is itself proof that the state has not been able to subject NGOs to effective control, even though it has installed the dual management system which, on paper, appears to leave NGOs with very limited autonomy.

Reasons for the de facto autonomy of officially organized NGOs

From the various cases mentioned above, we can see that how much *de facto* autonomy NGOs can enjoy is directly related to the state's ability to enforce its policies in this area, which can be undermined by many factors. The aforementioned cases reveal a number of factors. First, the ability of individual officials to interfere in the implementation of government regulations on behalf of the NGOs they patronize has led Civil Affairs officials to lament that in NGO management, 'rule of men' (*renzhi*) had been more prevalent than 'rule of law' (*fazhi*) (Wu and Chen 1996: 36). Second, NGOs' financial independence is a factor: when NGOs do not need government funding, but contribute to the coffers of their supervisory agencies instead, they are usually in a good position to negotiate more autonomy for themselves. The third factor is whether NGOs' professional management units

take their supervisory responsibilities seriously. If a government agency stands to neither gain nor lose from the operation of the NGO under its supervision, it may feel no incentive to monitor the NGO's activities carefully. The final factor is the special relationship between many officially organized NGOs and their supervisory agencies. Many officially organized NGOs were created by the very state agencies that serve as their professional management units, while their directors are former or incumbent officials in the agencies. Consequently, they are often trusted and given a free hand rather than tightly controlled by the agencies. This point seems to have been missed by many researchers on Chinese NGOs. Compared with popular NGOs, officially organized NGOs tend to possess better bureaucratic connections, higher status and superior knowledge of the way the state machinery functions. As a result, they are usually in a better position to manipulate rules and regulations in order to enjoy more autonomy. They are also less afraid than popular NGOs of defying the authority of government agencies. Xu Yongguang once described the CYDF as an NGO 'of high birth' (Fang and Wang 2001: 421). It should not be very surprising if such NGOs are more likely than NGOs of lower birth to be their own master.

To examine further the reasons for the *de facto* autonomy of officially organized NGOs, it is worth returning to the case of the CYDF. At the moment, what mainly determines the degree of autonomy enjoyed by an NGO is its relationship with its professional management unit, as the latter is the lynchpin of the current NGO-management regime. We saw earlier that the CYDF had been given a rather free hand by its professional management unit, the CYL's Central Committee. Why had the Central Committee been so indulgent? The explanation begins with the leader of the CYDF, Xu Yongguang. He was Director of the Central Committee's Organization Department before leaving to set up the CYDF. It was a key position in the CYL, as the Organization Department is in charge of personnel appointments. Xu Yongguang was also one of the longest-serving cadres of the Central Committee, having worked there since 1978. Because of his long association with the Central Committee, Xu Yongguang was both 'trusted and respected'.[19] Furthermore, his deputies were also former CYL cadres. This was an important reason why the Central Committee had adopted a hands-off approach towards the CYDF.

The CYDF's remarkable autonomy is also based on its financial independence. When the CYDF was first set up, government regulations required that foundations should have an initial registered fund of at least 100,000 yuan, so the CYL Central Committee gave the CYDF 100,000 yuan, plus another 10,000 yuan for operational costs. Since then, the CYDF has survived on its own. As of 30 June 1999, it had raised a total of 1.78 billion yuan under Project Hope, thereby making the financial contribution from the CYL negligible. The importance of financial independence in deciding the relative autonomy of an organization is not just demonstrated by the relationship between the CYDF and the Central Committee, it can also be seen from the relationship between provincial Project Hope offices and provincial CYL committees. The fundraising record of provincial Project Hope offices varied considerably from one place to another. In the provinces where

they were more successful, the provincial CYL committees had a difficult time bringing them to heel. As one CYDF person put it: 'When the CYL committees cannot hold the purse strings, they cannot hold much else either' (Guo *et al.* 1999: 285). In contrast, in the provinces where Project Hope offices were less successful in fundraising, 'probably the salaries of their staff are still dependent on the CYL committees', consequently these organizations are not able to ignore the command of the CYL committees (*ibid*.: 285).

As it achieved its enormous fundraising success, the CYDF made sure that the CYL would share the rewards. In its first year of existence, the CYDF funded various activities organized by both the CYL Central Committee and grassroots CYL organizations. In its second year, the CYDF received a donation of over 10,000 sets of audiovisual equipment from the Philips Company. It gave some of these to CYL local branches as well as to CYL committees in all the central government ministries. Presenting these gifts to CYL committees in the central government proved a particularly clever move, as it endeared the CYDF to some very useful friends who were able to render it highly valuable service later. For example, these CYL committees helped to mobilize support for Project Hope and the CYDF within their own ministries, including asking their ministers to write inscriptions for the CYDF (Kang 1997). In subsequent years, as Project Hope got into full steam, the CYDF distributed the money it raised through the CYL's organizational network. Even though ensuring the money is used to build schools, purchase teaching aids and pay school fees for poor students in poverty-stricken areas required a considerable amount of administrative work, the CYL's local branches all appreciated the job. After all, it involved spending money, which gave them more power and influence. In addition to letting the CYL distribute Project Hope funds,[20] the CYDF also continued to support CYL's projects. For example, after raising the money to equip 10,000 rural primary schools with a 'Project Hope Library', the CYDF decided that in choosing the beneficiaries it would give priority to schools targeted by a Central Committee project (Kang 1997).

The benefit the CYL derived from the success of Project Hope was not confined to economic gains. Equally important were the political gains. In the first few years, despite the huge fame Project Hope rapidly acquired, Xu Yongguang deliberately kept a low profile for the CYDF, always pushing the CYL into the limelight instead, so much so that most people thought Project Hope was run by the CYL. Very few people had heard about the CYDF (Kang 1997; Guo *et al*. 1999). Project Hope greatly enhanced the public image of the CYL. It also enabled CYL cadres to present more achievements to their superiors. As a provincial CYL cadre said in an interview:

> When the general secretary of the provincial CYL Committee goes to see the General Secretary of the provincial Party Committee, the General Secretary of the Party Committee is pleased whenever Project Hope is brought up and says: "You have done a good job with Project Hope." So the general secretary of the CYL feels honoured. When the General Secretary of the Party tries to name the achievements of the CYL, the only thing he can think of is Project

> Hope. He does not remember any other work which the CYL has done. (Sun *et al*. 1999: 120)

More achievements have meant better chances of promotion for CYL cadres. Research shows that many CYL cadres who had been associated with successful Project Hope operations were promoted to high positions in the Party and the government after leaving the CYL (Guo *et al*. 1999; Sun *et al.* 1999). CYL cadres do not stay with the League for life, as it is after all a youth organization. Sooner or later they are reassigned jobs in the Party or the government. Exactly what kind of job a person can have on leaving depends very much on the individual's track record as a CYL cadre, therefore Project Hope has provided a big boost to the careers of many CYL cadres.

As we have seen, the CYL trusts the CYDF because of the personnel connections. The CYDF costs it nothing, while continuously bringing it huge economic and political benefits. Individual CYL cadres have also been rewarded for supporting the CYDF's work. Under the circumstance, there is no reason why the CYL should not let the CYDF have as much autonomy as possible. With the CYL firmly on its side, the CYDF also successfully foiled potential challenges to its autonomy from other quarters, especially the education and publicity departments of the Party and the government.

The Ministry of Education was upset first by the CYDF's fundraising techniques, then by the fame of Project Hope. To mobilize public donations to Project Hope, the CYDF graphically portrayed the poverty and educational deprivation suffered by many rural children, which cast a bad light on the work of the Ministry of Education. Whenever the education departments released their statistics, they always showed high school attendance and retention rates. When the CYDF went to the press, on the other hand, it always emphasized the large number of children who were unable to attend school. In other words, the CYDF's publicity materials often contradicted the claims of education departments, resulting in friction between the two. Officials in the Party's Publicity Department were also offended by the CYDF's fundraising campaign, as the problems it exposed not only embarrassed education departments, but could by extension cause embarrassment to the entire government.[21] On one National Teachers' Day, the Central Television Station broadcast a documentary film that it had jointly produced with the CYDF about educational conditions in poor regions of the country. A high-ranking official watched the film and thought it created the impression that 'teachers are miserable while students are helpless'. In protest, he sent some subordinates to the CYL Central Committee to 'have an exchange of views' and give a presentation on the government's achievements in promoting basic education in recent years. CYDF staff refer sarcastically to this kind of incident as being 'summoned for a lecture' (Guo *et al*. 1999: 30).

In later years, as the government became more and more open about the tremendous development challenges still facing the country, the CYDF's elaboration of poverty and educational deprivation was no longer a big offence to the Ministry of Education, but Project Hope became so famous that it completely

overshadowed the work of education departments. Education officials felt unfairly upstaged, as the government's annual education budget was more than 1600 times the amount raised by the CYDF. Yet everybody talked about the achievements of Project Hope as if the important work was all done by it (Guo *et al*. 1999; Sun *et al*. 1999).

In the face of the pressure to stop playing up the 'dark side' of the country from such powerful state agencies as the Ministry of Education and the Party's Publicity Department, it is hard to imagine that the CYDF would have been able to have its own way if the CYL had not stood firmly behind it. The support that a patron like the CYL can lend its protégé is not limited to its own authority. With the help of the CYL's connections, the CYDF managed to persuade many top state officials to write inscriptions for Project Hope.[22] When the paramount leader of the country, Deng Xiaoping, also wrote an inscription for the CYDF (the title 'Project Hope' in his calligraphy), the CYDF had acquired a powerful shield of protection against potential enemies. The CYDF eventually registered Project Hope as a trademark with the State Trademark Bureau, using Deng Xiaoping's calligraphy as the logo. As Xu Yongguang said: 'Once we had Deng Xiaoping's inscription, those people who wanted to make trouble for us would have to think twice.'[23] This is a good demonstration of the advantage of officially organized NGOs. They are created by state institutions and are placed under the supervision of those institutions. However, if they handle the relationship with their supervisory agencies skilfully, the close links with the supervisory agencies need not stand in the way of their autonomy, and can even help to increase it.

The CYDF's experience is by no means atypical among officially organized NGOs. Even though most other officially organized NGOs have not received the same degree of official backing and support as the CYDF, similar factors have also allowed many of them to enjoy substantial autonomy. In 2007, the Ministry of Health (MOH) became embroiled in a scandal involving two NGOs that it had set up, the National Dental Disease Prevention and Treatment Guidance Group, and the China Dental Disease Prevention Foundation. The Foundation is a registered NGO, while the Group is an informal committee of experts which is not registered. The Group endorsed many oral hygiene products such as toothpastes and chewing gums, and accepted large fees from the products' manufacturers. There is much overlap between the Group and the Foundation in terms of personnel. As an unregistered organization, the Group could not open an independent bank account, so it used the Foundation's bank account to receive money from manufacturers. In 2005, a Chinese legal scholar filed several lawsuits against the Group for illegally endorsing products, thereby misleading consumers. The lawsuits revealed that the Group was in fact not qualified to endorse any product, yet it had amassed a large amount of illegal income from toothpaste manufacturers. The public outcry following the revelation prompted an investigation that resulted in the decision by the MOH to abolish the Group in 2007.

Media reports at the time asked why the Group could have engaged in illegal activities for so long with impunity. The MOH's failure to exercise oversight over

the Group had clearly played a large part. Initially, the Group was placed under the supervision of the MOH's Disease Prevention Department, but the department was abolished and superseded by two new departments in the late 1990s. The MOH explained that the organizational restructuring and staff changes created loopholes in its supervision over the Group. Other relevant government agencies also failed to perform their supervisory duties. The National Certification and Accreditation Administration (NCAA) is responsible for checking the qualifications of organizations that endorse products. When asked what responsibilities the NCAA must assume for allowing the Group to illegally endorse products for over 10 years, an NCAA official said: 'The Group was established by the MOH, therefore the problems were the MOH's internal affairs. This is like "closing the door to smack your child". How to punish their child is their own business … It would have been awkward for us to intervene' (Chen *et al*. 2007).

This case presents a familiar picture of government agencies neglecting their supervisory duties with regard to their own NGOs while other agencies deliberately keep a distance either to avoid trouble or to respect each other's bureaucratic turf, leaving the NGOs to do as they please. In the face of huge negative publicity, MOH had no choice but to abolish the Group. Where cases of officially organized NGOs caught engaging in illegal or inappropriate activities have not attracted much public attention, it is not uncommon for their supervisory agencies to try protecting them rather than punishing them. For example, after an NGO supervised by the Ministry of Culture (MOC) caused a scandal by organizing an art competition in partnership with a travel agency, which turned out to be an attempt to fleece the participants, the MOC repeatedly contacted the MCA on behalf of the NGO. Because of the MOC's persistent request, the MCA allowed the NGO to re-register.[24] The propensity of supervisory agencies to indulge the NGOs they created rather than subjecting them to tight discipline is not surprising, given that their interests are often so closely allied.

Popular NGOs

If officially organized NGOs can find ways to enjoy autonomy, for example by using personal relations, by achieving financial independence, by finding powerful patrons and offering their supervisory agencies various benefits in exchange for more freedom, then popular NGOs can certainly use the same methods to overcome the constraints on their autonomy. What is not certain, however, is whether they inevitably enjoy more autonomy than officially organized NGOs, as many have assumed, simply because they did not come into existence in a top-down fashion and are not as closely linked to state agencies as officially organized NGOs. If the overall environment for Chinese NGOs is a restrictive one, as the conventional wisdom has it, then it would seem a bit naïve to believe that certain NGOs can have greater autonomy simply because they are more genuinely non-governmental. As a matter of fact, it would not be illogical to assume the opposite: that the state is more on its guard against these NGOs on account of their being more genuinely non-governmental, so it intrudes in their affairs more frequently.

There have been cases of popular NGOs being co-opted by the state so that they lose their original spontaneous, bottom-up character. One example concerns some women's organizations. Since the mid-1980s, popular women intellectuals' associations have been formed in many cities and provinces, but the mass organization All China Women's Federation soon became involved and these associations began to lose their autonomy. In the words of a women intellectuals' association interviewee:

> The Women's Federation was always conscientious, drew up the constitution, sent representatives and wanted to shape the [new] federations in its own image. The original federations were spontaneous. The Women's Federation gave a hand. Then gradually the federations lost their former activism. Before they could organize their own activities with their own money. But now they have to wait for the help of the Women's Federation. (Howell 1996b: 138)

In another example, a constitutional research society sought financial support from the local People's Congress and the government-controlled Law Society. After giving the society some money, the leaders of the People's Congress and the Law Society joined it and virtually took it over. Its original founders lost control of the society's activities and had to abandon the organization (Raab 1997: 20).

Co-optation is not the only means at the state's disposal for controlling popular NGOs. The fate of popular literary societies in Xiaoshan City discovered by Wang, Zhe and Sun demonstrates some other means. Before 1988, literary societies mushroomed in Xiaoshan. At the peak, their number reached 50 to 60. They also established contacts with popular literary societies in other parts of the country, exchanging their publications and manuscripts. In 1988, however, the government decided to tighten its control of literature and art organizations. Subsequently, the police paid several visits to the work units of the leaders of the literary societies, putting them under a lot of pressure. As a result, many of the societies suspended their activities or disbanded. Some societies did survive into 1989, when the government introduced the dual management system for NGOs which required them to find a professional management unit. As mentioned earlier, an NGO's professional management unit must be an organization with official responsibility in the NGO's field of activity. Therefore the literary societies could appeal only to the local chapter of the China Federation of Literary and Art Circles, a mass organization, to act as their sponsor. However, the Federation had already sponsored eight NGOs that it created itself, so it refused to take on the popularly organized literary societies. Without a professional management unit, NGOs are not allowed to register. Consequently, the last surviving popular literary societies in Xiaoshan also had to disband, with the exception of only one organization composed of retired local officials and teachers. It eventually managed to persuade the Federation to sponsor it, but was forced to make some changes first. Like the other societies, this particular society also used to have contacts with similar groups in other places. It even had over a dozen members who lived in other cities. To be allowed to register, however, it had to get rid of those members

and limit the participation to local residents (Wang *et al*. 1993). In the space of a few years, therefore, the number of popular literary societies in Xiaoshan was reduced from over 50 to just one, and the remaining one had had to cut its contact with similar organizations elsewhere in order to survive.

While state interference through coercion is a serious threat to the autonomy of popular NGOs, more often autonomy is constricted by NGOs' self-censorship. Unlike officially organized NGOs, which acquire their sponsoring units by birth, popular NGOs need to find government agencies willing to act as their professional management units by themselves, or at least find registered NGOs who are willing to let them 'hang under' as second-level organizations, otherwise they cannot exist lawfully. When they do manage to find sponsors, it is crucial that they maintain good relationships with their sponsors, which require the NGOs to behave themselves so as not to cause any trouble. Apart from such considerations, there is always the fear that if they do anything the government does not like, they will be banned outright. In an interview, the director of a bottom-up environmental NGO contrasted his cautious approach with that of the environmental activist Dai Qing, whose sharp criticism of the Three Gorges Dam project resulted in her being completely deprived of a voice inside China (Raab 1997: 27). On another occasion, a representative of the same NGO summarized the goal of her organization as, first of all, to support the government to do the things it was able to do, that is, not making any impossible demands on the government. Only second was the organization's goal to maintain its autonomy so that it could voice different opinions.[25] Note that this organization is generally considered one of the most outspoken and autonomous NGOs in China.

Before making any move, Chinese NGOs often try to guess what the government's reaction would be. However, there seems to be a big difference between the strategies of officially organized NGOs and those of popular NGOs. When the CYDF knew that its planned activities were politically sensitive and would not please the government, for example, it often decided to achieve *fait accompli* first and deal with the consequences later. Speaking of a particular CYDF fundraising initiative in Hong Kong, which resulted in the central government's representative office in Hong Kong sending a scathing report to Beijing, Xu Yongguang said: 'The higher authorities gave us a dressing down, reproaching us for not seeking permission to do it first. We thought that if we asked for permission we would not be given it, so of course we did not ask for permission first.'[26] This attitude stands in stark contrast with that of popular NGOs, who apply self-censorship not only to their activities, but also to their everyday management decisions. The fear is that if the government does not like an NGO on political grounds, it may find fault with, say, some financial decisions the NGO makes, then punish the NGO using that excuse.[27]

It appears that the closer an NGO is to the grassroots, the more likely it is to fear incurring the displeasure of the state. Some popular NGOs have been set up by elite members of society, such as academics, lawyers or journalists, who have good connections with the state bureaucracy based on work or personal relations, whereas others are formed by ordinary citizens without such connections. The

latter category of NGOs appear to be the least able to maintain their autonomy owing to their fear of punishment from the state for disregarding its rules. This situation is vividly demonstrated by the experience of a parents' organization which I encountered during my field research.

The organization was formed by some parents of autistic children who organized regular activities amongst themselves for years. They called themselves a 'club', although it appeared to be a formal organization in every respect. For example, the club had a constitution. Its members elected an executive council once every four years and they paid annual membership fees to publish a newsletter, among other things. The club organized a wide range of activities, including inviting specialists from other cities to give training and lectures to its members; conducting surveys of the needs of families with autistic children; and drawing media attention to the lack of social services for autistic children. In fact, it was the best organized grassroots membership NGO I came across in my research. Since 1996, the club had been trying to register as an independent organization. It had not been easy for it to gain approval from the government. When representatives of the club first went to see government officials, the latter considered them troublemakers and refused to see them. With perseverance and the right tactics, however, the club eventually gained the sympathy of relevant government officials. In 1998, the local Civil Affairs Bureau finally decided to allow the club to register. However, before the registration went ahead, the *Falun Gong* incident took place. Afterwards the government froze the registration of new NGOs and the club was told by Civil Affairs officials that no new organization of its kind would be approved in the next five to ten years.[28]

As the government launched a nationwide campaign to straighten out the NGO sector after the *Falun Gong* incident, the members of the club became afraid of carrying on their activities without a legitimate status, therefore the club was left with one choice, to become the subsidiary of a registered organization. The city where the club was located had an officially organized NGO called the Mental Health Association. Its leader agreed to let the parents' club 'hang under' it. However, there were serious concerns among the parents that once the club became a subsidiary of the Mental Health Association, it would lose its autonomy, and its freedom to organize activities would be restricted. The fear seemed to be well founded. As one parent related to me:

> Last time we met with the general secretary of the Association he said: "In the past some parents insisted on remaining independent. They were going too far." Then I mentioned that we wanted to invite certain experts from other cities to come here to give us some training. The general secretary immediately reacted by saying: "Once you have joined our association, we will take care of all these things. You parents can just sit back and act as our advisors."[29]

Members of the club split up into two camps: those who favoured affiliation with the Mental Health Association, because this seemed to be the only legitimate means for them to continue working in the interests of autistic children and their families; and

those who were against affiliation with the Association, thinking they could carry out effective work only as an independent organization. Eventually, parents who favoured affiliation with the Association joined it as individual members of its newly formed Youth and Children Branch. The rest of the parents, a minority, became 'dispersed', and the club ceased operation. The parents who joined the Association had hoped that some of them would be allowed to serve on the Executive Council of the Youth and Children Branch, so that they could have some influence on its decision-making, but it turned out that the Association did not reserve a single place on the Council for them. When I spoke to some parents who joined the Association four months afterwards, they remained disappointed about the situation.[30]

The club offers a good example of popular NGOs losing their autonomy, or even their own identity, because of their fear of state retribution for operating outside its orbit. Sometimes popular NGOs also forgo their autonomy voluntarily in order to better promote the interests of its members. A classic example involves the Xiaoshan Self-Employed Labourers' Association. The Association was established in 1983 by self-employed business people in the city. At the inaugural meeting, representatives elected a nine-member board made up entirely of self-employed labourers. As a popular organization, however, the Association did not carry any weight with government departments, so it was unable to influence the government to attend to the needs of its members. Therefore, when the next election came up three years later, the Association appealed to the government to give it some official status. Consequently, two officials from the local Industry and Commerce Bureau were elected to the board. One of them was elected chairperson of the Association, the other was made General Secretary. Meanwhile, the Association itself was formally placed under the sponsorship of the Industry and Commerce Bureau as a semi-official organization (Wang *et al*. 1993: 39–40; White *et al*. 1996: 114).

Conclusion

This chapter presents various examples to show that officially organized NGOs in China can enjoy a great deal of *de facto* autonomy, whereas popular NGOs can face many constraints on their autonomy. These examples are intended to challenge two currently dominant views: first, that lacking autonomy is a big issue for Chinese NGOs; and second, that popular NGOs are more autonomous than officially organized NGOs. While these views do not hold water in the face of empirical evidence, it does not mean that their opposites are true. Chinese NGOs are not enjoying unlimited freedom from government intervention, nor can one say that officially organized NGOs in general are more autonomous than popular NGOs. What is clear is that, in the same institutional environment, some NGOs have fared much better than others, whether in maintaining their autonomy, in mobilizing public support, or in achieving organizational sustainability and development, and these include both officially organized and popular NGOs. What lessons can be learned from the success stories? What particular qualities or skills are responsible for the outstanding performance of some NGOs? These questions are addressed in the next two chapters.

4 Chinese NGOs and the State

A dependent relationship

In existing research and discussions, no distinction has been made between the autonomy and the independence of Chinese NGOs. Although these two words have similar meanings and are often used interchangeably, differentiating one from the other is crucial for understanding the nature and behaviour of Chinese NGOs. In the *Oxford English Dictionary*, 'autonomy' is defined as follows: 'of a state, institution, etc.: the right of self-government, of making its own laws and administering its own affairs.' The various meanings of 'independent', on the other hand, include 'not depending on something else for its existence, validity, efficiency, operation, or some other attribute'; 'not contingent on or conditioned by anything else'; 'not dependent or having to rely on another for support or supplies'. Clearly, an organization can be self-governing and administering its own affairs, while at the same time dependent on other organizations for validity, efficiency, support and supplies, etc. Autonomy does not necessitate independence, and dependence does not preclude autonomy.

This book treats autonomy and independence as two analytically distinct concepts, for the following reasons: First, I argue that many Chinese NGOs enjoy a great deal of autonomy, but remain heavily dependent on the state for their survival, legitimacy and operation. Second, the interest in NGO autonomy seems to have made scholars pay more attention to the state than to NGOs by directing their investigation towards the state's attempts to restrict NGOs' freedom and use them for its own purposes. Analysing NGOs' dependence, on the other hand, may compel the researcher to focus more on the needs, objectives and strategies of NGOs.

In the previous chapter, I have tried to demonstrate that many Chinese NGOs are able to enjoy a high degree of *de facto* autonomy. In this chapter I describe NGOs' multiple dependence on the state. Many Chinese researchers have noted that Chinese NGOs have been drawing various forms of support from the state. Based on their detailed studies of the China Youth Development Foundation (CYDF), for example, researchers have pointed out that NGOs exploit both state-owned and society-owned resources for their own organizational development, and they use both administrative and socialized methods to mobilize donations. Existing studies, however, all take for granted that the overall trend of NGO development in China will show a continuous diminution of the role of the state and a steady

rise in the significance of social forces. As researchers see it, at present bottom-up NGOs are already surviving on their own with little help from the state. The current 'dual management system' places them under the supervision of state organs, but these organizations have a 'natural tendency' (Kang 1999: 111) to seek full autonomy and detachment from the state. Whenever possible, therefore, they will try to fulfil their natural inclination by breaking away from the state's influence. Top-down NGOs, for their part, will be under growing pressure to make themselves more relevant to the needs of society, as their survival will also increasingly depend on how much support and approval they can receive from society (e.g. Ma 2006).

The assumption that Chinese NGOs will increasingly align themselves to society rather than the state reminds one of the claims that have been made about private businesses in China. Many analysts had thought that the private sector would be a major driving force for civil society in China. According to their reasoning, as economic reform progresses, the power of the private sector will continue to grow at the expense of the state. Their possession of independent economic resources will allow private entrepreneurs to emerge as an autonomous social class. As their fortune is tied to the market, which for healthy long-term development needs the protection of democratic political institutions, the private business class will have a strong interest in promoting political reforms, and will join hands with other social forces to struggle against the authoritarian state in order to bring about democratic political changes. In other words, economic reform will inevitably lead to political liberalization, and those at the cutting edge of economic reform will also play a leading part in political reform.

Unfortunately, such assumptions have not been substantiated by various empirical studies of private business–state relations in China. These studies find that the development of private businesses has not led to the emergence of civil society, but has only created new forms of societal dependence on the state. Instead of forging horizontal alliances among themselves and with other social groups, studies reveal that private entrepreneurs have sought to advance their interest by cultivating patron–client ties with government officials. They rely on such ties for both commercial advantage and political protection (Solinger 1992; Bruun 1993, 1995; Wank 1995b, 1999; Pearson 1997). Bureaucratic patronage is vital to the commercial success of private businesses, as partial market reform has left much control over the allocation of resources and opportunities in the hands of officials. Without access to those resources and opportunities, private entrepreneurs would not have been able to conduct any business on a meaningful scale. Partial reform also leaves private businesses to operate in an environment with many uncertainties, for example, with regard to the state's support for private property rights, limits to administrative interference in commercial activities, and the constancy of government policies. Bureaucratic patronage is needed in order to reduce these uncertainties (Wank 1999).

The clientelist relationship between private businesses and government officials differs from the clientelism that existed in the pre-reform period. David Wank has termed the new variant 'symbiotic clientelism' to distinguish it from

the 'dependent clientelism' under the command economy. The key difference lies in the degree of client dependence on patrons. With symbiotic clientelism, the dependence is reduced as the entrepreneur-clients now have resources they can offer to officials in exchange for their patronage. Nevertheless, the clientelist nature of the relationship is unquestionable, as 'it involves an imbalance of power between official patrons and entrepreneurial clients, it involves the exercise of discretion by officials in allocating resources and opportunities, and it is embedded in personal ties' (Wank 1995b: 155).

Not only have private businesses developed a dependence on the state bureaucracy, but the dependence has intensified in more commercialized areas, further disappointing general expectations. As Wank explained:

> [T]he salient feature of the social structure in more commercialized areas is not, as some have argued, the reduction of dependent patron–client ties, but the rise of symbiotic ones. In areas characterized by petty private business, the smaller scale of commercial activity may erode dependent patron–client ties without engendering new symbiotic forms. This is because for petty private business, resource requirements are fewer and more easily available without bureaucratic discretion, thereby obviating the need for patron–client ties. In contrast, in areas of greater commercial activity, the resource requirements linked to bureaucratic discretion are also greater, obliging entrepreneurs to cultivate official patrons. In other words, it seems that greater commercialization is more likely to transform the dependent-clientelist order into a symbiotic one. (Wank 1995b: 180–81)

Similarly, access to foreign capital does not make entrepreneurs more independent of state power either:

> While this reduced their dependence on officials for capital, the infusion of overseas capital led them to expand into business activities that *did* require bureaucratic support. Foreign capital enabled them to set up capitalist firms, which then needed bureaucratic support for access to business sites, direct foreign-trade opportunities, raw materials, and so on. In other words, access to foreign capital reduces dependence on the bureaucracy for one resource, but appears to generate a need for bureaucratic support in acquiring other resources. (*ibid*.: 181)

In short, empirical studies find that market reform has created a private sector with its own resources and distinct interests. However, the private sector has not emerged as an independent social force that seeks to challenge the state's domination over society, as surmised by civil society analysts. Rather, private businesses have entered into clientelist relationship with officials in order to safeguard and expand their gains from market reforms. If, as Solinger has suggested, China's transition from a planned to a market economy could be a *sui generis* process that is 'potentially quite protracted' (Solinger 1992: 122), then the dependence

of private businesses on the state could also be a protracted episode rather than a transient phenomenon.

There is good reason to believe that what is true for private businesses is also true for NGOs in China. It seems that many analogies can be drawn between the two types of organization. After all, they all operate in the same institutional environment and are faced with similar constraints, even though they pursue different objectives. If private businesses need protection against bureaucratic harassment, arbitrary local sanctions and fluctuations in central government policies, there is no reason why NGOs can do without the same protection. Similarly, when the state retains considerable control over the allocation of resources, both private businesses and NGOs need to cultivate the patronage of state agents in order to gain access to those resources on which their ability to carry out their activities depend.

For this reason, the effort by researchers to distinguish between top-down and bottom-up NGOs in China is somewhat misguided. Bottom-up NGOs, including a sub-category which is sometimes referred to as donor-organized NGOs (DONGOs), that is, NGOs set up with donor funding, are analogous to private businesses that have access to foreign capital. As Wank points out, the infusion of foreign capital removes the dependence of these businesses on the bureaucracy for one resource, but creates dependence for other resources. By the same token, the ability to generate their own funding does not make bottom-up NGOs independent of the state, as they then turn to the state for other support that is equally indispensable to their survival and operation. The degree of an NGO's dependence on the state tends to have more to do with its size than with its origin (whether it is officially or popularly organized). Again, there is an analogy with private businesses. Petty private businesses may be able to keep their contacts with the bureaucracy to a minimum, as the small scale of their operations means that their resource requirements are few and easily met. In contrast, large-scale private businesses must build up extensive clientelist networks in order to be able to engage in the more lucrative commercial activities that also require more bureaucratic backing. In a similar vein, one can imagine a small grassroots NGO that limits its activities within the local community to lead a more-or-less separate existence from the state. However, it is inconceivable how an NGO running a cross-regional operation can do away with one sort of state support or another, regardless of whether it is an officially organized or a popular organization.

In this chapter I again refer to the CYDF, which provides an excellent example of the experience of top-down NGOs. For the most part, however, I use examples of bottom-up organizations (including DONGOs) to illustrate Chinese NGOs' dependence on the state. My reasons for preferring such examples are obvious: if it can be proved that NGOs created in the bottom-up fashion and sustained largely by non-governmental (including overseas) funding are not independent of the state, then it goes without saying that other types of NGO must be equally, if not more, dependent on the state. Using examples of popular NGOs has an additional advantage: as mentioned earlier, popular NGOs are probably the most

misunderstood category of Chinese NGOs. Many received views about popular NGOs have gone unchallenged, not because they are founded on careful empirical research, but because they sound intuitively correct. Therefore the stories of bottom-up NGOs related in this chapter may serve to present a more accurate picture of these organizations and their relationship with the state, and to refute some spurious notions that have gained wide circulation.

By NGO dependence on the 'state', I refer to state in the broad sense. It covers both central and local state, both organizations (such as government agencies) and people (such as officials serving as agents of the state), both administrative organs and other state-owned institutions, such as the official newspapers of the government or the Party. NGOs may depend on certain components of the state for support, but not others. For example, a particular NGO may survive on the patronage of local officials, but may have no direct contact with the central government. I speak here of NGOs' dependence on the state, rather than specifying the particular elements, as in this chapter I am concerned only to distinguish the state from society. It does not matter exactly which parts of the state are involved, as long as it is clear that they represent power, influence, knowledge or resources that are outside the domain of society.

NGO Dependence on the state for legitimacy and protection

In Chapter 2, I mentioned Gao's discussion of the different types of legitimacy of Chinese NGOs. He suggests that some NGOs have come into being by dint of their social legitimacy. However, social legitimacy alone allows these NGOs to lead only a precarious existence at best, therefore they would use all their ingenuity to try to gain administrative and political legitimacy as well. Possessing political legitimacy requires that NGOs conform to the official ideology and support the goals and policies of the state. In other words, the criteria of political legitimacy are set entirely by the state. Administrative legitimacy stems from association or contacts with the state bureaucracy, therefore it also derives from the state. For Chinese NGOs, social legitimacy means only partial legitimacy, which cannot guarantee them a secure life, therefore in Gao's analysis they clearly depend on the state for full legitimacy.

Gao uses a folk society that worships a dragon tablet as an example of NGOs created on the basis of social legitimacy, which then endeavour to gain administrative and political legitimacy. However, from the story he told, one might conclude that it has taken more than social legitimacy to bring the dragon tablet society into being. It appears that from the very beginning, the society has depended on some connection with the authority of the state for its existence. As worshipping the dragon tablet represents 'feudal superstition', which is banned by the state, its followers were afraid of carrying out their activities openly. The society was formally established and came into the open only after its two leaders, both of whom were members of the Communist Party, said that they would take the blame should the government take action against the society. The main founder and also the first head of the society was a veteran of both the Eighth Route Army

(*balujun*)[1] and the People's Liberation Army, who had retired from the army on a state pension. He famously said to the other founding members of the society, who were still hesitating: 'Go ahead. I will take the pressure if anything happens.' These words are still being frequently quoted by the locals and have been an inspiration to them ever since (Su *et al*. 1999: 322, 325–26). Here we see that both the courage of the leader to initiate a potentially illegal organization and his credibility in the eyes of his followers come ultimately from association with state power. The leader's army service record and Party membership have afforded him some sort of station which ordinary people do not have. Such station, which was conferred by the state, provided the necessary encouragement to the members to formally launch the society.

When state authority figures prominently in a story about NGOs' social legitimacy, one gets a keen sense of how important the state is to NGOs. In fact, much of Gao's discussion of NGO legitimacy boils down to their legitimacy in the eyes of the state. Chinese NGOs need this kind of legitimacy first of all, because otherwise they may be suppressed by the state at any moment. But Chinese NGOs also need legitimacy in the eyes of society. Often, such legitimacy depends on the state as well. Legitimacy in the eyes of society is not the same as what Gao calls social legitimacy. By social legitimacy Gao means roots of social support. He explained this concept using the example of folk societies which were formed on the basis of local tradition, shared values and common interests. By legitimacy in the eyes of society, I refer to the credibility and trustworthiness of NGOs in the eyes of their potential clients, donors and the general public. No NGO can function if it is not perceived as a trustworthy and credible organization by the public and its constituents.

In their study of the CYDF, Sun *et al.* found that the organization established its legitimacy in the eyes of society not on account of its non-governmental status, but rather by displaying its numerous ties to the state. As a CYDF staffer said: 'Under our system, to conduct a publicity campaign you need first of all to ask the leaders to write inscriptions for you, because common people believe in this. When they see that the leaders have given something the nod, they know that this thing is safe and legal' (Sun *et al.* 1999: 55). When the CYDF sent out its first letter of appeal by mass mailing, it aroused considerable suspicion among the public, as there were many scams around at the time which all involved letters being sent to people to invite them to take part in certain projects. Some organizations and individuals who received the CYDF's letter contacted the CYL or the police to ask them to find out if it was yet another hoax. At this point, the CYDF came up with the idea of printing an advertisement in the *People's Daily*, the official newspaper of the Party. CYDF staff described it as a 'decisive move' that gained the CYDF tremendous confidence from the public: 'Just imagine. Even the *People's Daily* has carried an advertisement for the CYDF and Project Hope, so there can be no doubt that it is not a sham… . Afterwards we never heard of people writing to the police asking them to check out the CYDF again' (*ibid*.: 57).

Not only do the Chinese public need this kind of assurance before they can trust an NGO; foreign businesses also frequently base their decisions on whether or not

to donate money to a local NGO on the NGO's relationship with the government. As CYDF staff related their experience:

> Foreign businesses would also ask about the government's attitude towards our organization. They would ask: "How does the Party Central Committee view this activity of yours? How does the government view it?" You tell them they all support it. In particular, you stress to them that Jiang Zemin has written an inscription for us. Deng Xiaoping has also written an inscription. These leaders have also personally donated money to us. Then these businesses will decide to work with you. Therefore, government support is very useful. (*ibid*.: 274)

The CYDF's experience is not unique. As the concept of non-governmental organization is still a novelty to many Chinese people, top-down and bottom-up NGOs alike emphasize their connections to the government, or simply claim they *are* the government, when they try to establish their credibility with the public. When staff of the Yilong County Rural Development Association, an NGO running micro-credit projects, went into villages, they would tell villagers that they came from the county government's poverty alleviation office (Deng 2001b). As the general secretary of the Association defended their approach: 'If you go to the villages [as an NGO], ordinary people will not trust you. In China there is only the government. Ordinary people do not know there are other organizations beside the government' (Yang 2001a: 100–1). This view has been echoed by many other NGOs. A member of a non-governmental legal aid centre for women told me: 'The reality in China is this: if you go out in the name of the Centre, people will simply ignore you. They only pay attention to you when you say you are from the Information Office of the government's Justice Bureau.'[2] The director of an NGO that provides services for rural women told a researcher: 'Without government backing … society won't trust you' (Raab 1997: 45). This NGO publishes a magazine for rural women which is a subsidiary of *Chinese Women's News*, the official newspaper of the All China Women's Federation. When a rival publication tried to undermine the magazine, it did so by spreading a rumour that the magazine was a private venture without any links to the Women's Federation. The NGO's director apparently considered the rumour to be a serious threat to the reputation of her organization, and took swift actions to rebut it.

The experience of the Prisoners' Children's Villages (PCVs) provides one of the most telling examples of NGOs' dependence on the state for legitimacy in the eyes of society. These villages were set up by an NGO called Shaanxi Province Returning to Society Research Association (SPRSRA). The SPRSRA's original purpose was to help ex-convicts reintegrate into society, but most of its work has centred on running PCVs, which provide residential care for the children of serving convicts who cannot be cared for by their families or relatives. Zhang Shuqin, the founder and general secretary of the SPRSRA, used to be a journalist working for a newspaper published by the Shaanxi Province Prison Bureau. The SPRSRA's directors and advisors include many incumbent and retired officials

from the prison bureau and other relevant state organs, such as the Public Security Bureau, the Civil Affairs Bureau and the People's Procuratorate. The SPRSRA identified children in need of help by contacting serving convicts through their prisons. Prison authorities informed their inmates that the PCVs could take care of their children. Those who wished to take advantage of the PCVs' services were then asked to sign a document entrusting the care and education of their children to the PCVs until their release from prison.

As the convicts were unable to check out the PCVs themselves, the fact that the PCVs were introduced by the prison authorities served to assure them that these organizations were closely linked to the state judicial system and were therefore not a fraud. It is possible that the convicts do not even see a clear distinction between the PCVs and the government. Because of its close relations with the Prison Bureau, the SPRSRA had special access to prisons. It could even take convicts out of prisons to participate in its public relations and fundraising events. Although she had been working full-time for the SPRSRA since it was set up, Zhang Shuqin had retained her position as an employee of the Prison Bureau, which allowed her to continue to wear her police uniform. Often, she would deliberately put on her uniform when representing the PCVs in front of convicts and the general public. Wearing the uniform was particularly important when Zhang Shuqin went to pick up children who had been selected for the PCVs from their home villages. She and her PCV colleagues usually went to the local government first and asked cadres of the township government to accompany them to the villages in order to gain the trust of local people. Once a PCV worker went straight to a village, only to be driven out by the villagers, as he was taken for a child trafficker. Only when he returned the next day with local officials was he able to take the child away.[3]

In addition to establishing their political legitimacy to the state, NGOs are also faced with the constant task of legitimizing their actions to individual government agencies or officials whose cooperation and support may be essential. Once again, the ultimate source of such legitimization is usually the state itself. For example, when the environmental NGO Friends of Nature criticizes local governments pursuing economic development programmes that damage the environment, it would justify its action by invoking central government policies which the local practices have violated.[4] Many other environmental NGOs follow this strategy as well (Lu 2007). The SPRSRA legitimizes its work with convicts' children to government agencies by declaring its aim to be 'eliminating potential problems for the government', and it always stresses the endorsement of its activities by higher-level officials when it approaches lower-level government agencies for assistance. While studying the Help Centre for Special Children, which is an extension of the PCV initiative in Beijing,[5] I was able to observe the Centre's staff making phone calls to various government offices. When contacting an agency for the first time, they often implied they were making the call at the suggestion of some other government agencies or officials. For example, when Zhang Shuqin contacted a director of the Prison Bureau to see if the Bureau would be willing to sponsor the planned PCV in Beijing, she claimed that certain officials in the municipal Party Committee who were responsible for public security and legal affairs – in other

words, the superiors of this Bureau director – told her to call him. She also made a request to the municipal government office responsible for law-and-order-related work that they lend her a police car. As Zhang Shuqin explained its value: 'When you arrive in a police car, it is completely different from arriving in a taxi. As mere representatives of a popular organization, you may have a hard time just to get past the doorkeepers and messengers in government agencies.'[6] Similarly, a government official explained the indispensable 'coordination work' which his office provided for a popular women's NGO thus: 'Since township governments are not familiar with them, if they go to the townships themselves, township governments will not receive them. Therefore, before they go out it is necessary for us to speak to township governments first, then the lower levels will receive them.'[7]

Legitimacy alone cannot guarantee Chinese NGOs a carefree existence. Even organizations that have fully established their legitimacy in the eyes of both the state and society are still vulnerable to obstruction or predation by individual government agencies or officials. They need protection against such hindrances, and the protection can only come from the state itself. Deng Xiaoping's inscription, which symbolized direct support from the paramount leader himself, protected the CYDF against attacks from state agencies and officials who were offended by some of its activities. This type of protection is widely used by Chinese NGOs, who often hang on their walls inscriptions by high-ranking officials or pictures taken with them. They also like to print such inscriptions and pictures on their publicity materials. The director of a children's NGO was once granted a reception by a vice-premier who wrote an inscription for her. Afterwards she printed the inscription and the picture of herself shaking hands with the vice-premier on every issue of the NGO's newsletter. As the vice-premier appeared to be very supportive of this director's work, a rumour spread in the city where the NGO was located that she was the vice-premier's nominally adopted daughter (*gannüer*),[8] a rumour which she deliberately avoided denying. The director said she used it to scare off 'the little devils', meaning lower-level officials who might make trouble for her. While the director's connection with the vice-premier was just a rumour, she did find herself some nominally adoptive parents in Beijing who were retired senior officials. She asked them to inquire about the NGO whenever they met officials from her part of the country and to ask them to render it assistance if necessary. As she put it: 'If these officials are repeatedly asked to support my organization when they go to Beijing, they will conclude that I have powerful connections, so at least they will refrain from creating troubles for me.'[9]

This director initially set up her NGO in a different city. At first she received strong support from the local government. Then a major incident completely damaged her relationship with the local government, which resulted in her moving the NGO to another city. The incident involved a big charity concert to raise money for the NGO, which was organized by the municipal Women's Federation, Civil Affairs Bureau, and television station. After the concert, the organizing committee, on which the NGO was not represented, claimed that the money raised was not enough to cover the cost of organizing the concert. It claimed there was a total deficit of over 80,000 yuan. Furthermore, it asked the NGO to make up the deficit.

The NGO suspected foul play, since during the concert many businesses and individuals made large cash or in-kind donations, which rendered the story of a deficit implausible. Some local journalists investigated the incident, then published articles in local newspapers questioning the organizing committee's story. The newspapers were all owned by either the local government or the local Party Committee. They subsequently pressured the journalists to retract their articles. The organizers of the concert, on the other hand, made no attempt to give more explanations as to how they ran into a deficit. Nor did they publish their accounts.

The whole matter might have remained unsettled if the director had not taken part in some activities in Beijing a few months later. In Beijing she met the vice-premier who was later rumoured to be her nominally adoptive father. She took the opportunity to tell the vice-premier about the charity concert and showed him the articles written by local journalists. The vice-premier was outraged and personally wrote instructions to concerned central government agencies to carry out a thorough investigation and punish the wrongdoers. In the event, a team from Beijing, composed of officials from the Party's Central Commission for Discipline Inspection, the Ministry of Supervision and the Ministry of Culture, went to the city. The team found that the agencies responsible for organizing the concert had used it to benefit themselves. In addition to pocketing some of the donated money and goods, the agencies also paid big *per diems* to their staff, gave lavish banquets to the performers at the concert, and purchased equipment for personal use for members of the organizing committee. These expenses all contributed to the high cost of the concert. After the investigation by the Beijing team, the agencies were ordered to hand over to the NGO all the money and goods they had embezzled. Many local officials implicated in the scandal were subjected to disciplinary action. The president of the Women's Federation was dismissed from her post.[10]

If the director in this case had not received the support of the vice-premier, it was not certain if she would have seen justice done to her organization in the end. As she said, officials tended to shield each other, and were often caught in dense local networks of personal ties. For example, the husband of the Women's Federation president was a high-ranking official in the municipal Party Committee. From these officials' point of view, it was not wise to take the side of an outsider like herself against their colleagues and friends. In any case, an investigation by the central government was launched only after the vice-premier took a personal interest in the matter. In this case, the NGO obviously depended on the central government to protect it from abuse by corrupt local officials. In another case, an NGO was mistreated by a real estate company with which it had commercial transactions, rather than by corrupt officials. All the same, it had to rely on the intervention of the government to protect its rights.

The NGO, the Guangzhou-based Huiling Service Organization for Mentally Disabled People (hereafter 'Huiling'), purchased some apartments which it intended to use as a residential home for mentally disabled youth. When the real estate company realized that mentally disabled people were going to live in the apartments, it feared that potential buyers would be deterred from purchasing the other apartments in the same block. Consequently it tried to cancel the sale, and

refused to hand over the apartments to Huiling. As Huiling called the planned residential home 'a training centre for mentally disabled youth', the company used it as an excuse for its backtracking. It said the apartments were meant to be used as family dwellings, not training centres: Huiling was changing the purpose for which they were built, therefore it was justified in pulling out of the deal.

To Huiling, the company's excuse was untenable, because the apartments were purchased in the name of the training centre, therefore the purpose for which they would be used should be clear to the company when it signed the contract. The company was happy to sell the apartments to a training centre at the time and had already been paid in full, so it had no right to bring up this issue later. Huiling believed that the company's decision to cancel the sale was motivated by its discrimination against disabled people. Therefore it took some mentally disabled youths and their parents to the company's headquarters to protest. It also asked the media to report the event. As Guangzhou is very close to Hong Kong, some Hong Kong journalists also followed the story and reported it in the Hong Kong press.

Despite the media reports criticizing the real estate company, initially Huiling was unable to make the company change its position. As the legal system in China is not always effective in dealing with such cases, Huiling decided to turn to the government for help.[11] The initial reaction from the government agency approached by Huiling was not very encouraging. Some officials were even angry at Huiling for exposing the case to the Hong Kong media, accusing it of tarnishing the image of Guangzhou. They were not keen to help Huiling, saying that the case was a purely commercial dispute, therefore the government should not be involved. Huiling then mobilized its entire social network to try to make the government intervene in the dispute on its behalf. Some parents of the disabled youth whom Huiling was trying to help had personal connections with representatives to the municipal or provincial People's Congress and People's Political Consultative Conference (PPCC). They asked these representatives to contact the Guangzhou municipal government. A vice-president of the Provincial PPCC wrote a personal letter to the mayor of Guangzhou asking him to help Huiling. At this juncture, by sheer good luck Huiling's Director also had a chance meeting with the mayor, which gave her a precious opportunity to present her case directly to the mayor. Afterwards the mayor ordered a government agency to help bring about a solution to the dispute. With the mediation of this agency, Huiling and the real estate company reached an agreement whereby the company returned to Huiling the 720,000 yuan it had received for the apartments plus another 580,000 yuan as compensation for the cancellation of the sale. Huiling later used the money to purchase a property elsewhere to open the residential home.[12]

NGO dependence on the state for resources

In China, many employees of state-owned institutions have been able to take on second jobs while continuing to receive their full salary and benefits from the state. For example, as Saich describes the situation of researchers at the Chinese Academy of Social Sciences (CASS):

> [They] only have to report for work two mornings a week and publication requirements are minimal. Their housing has been subsidized by the work unit as are their medical expenses, basic salary and other costs. Thus, costs are minimal should they wish to go into business and they can use state-subsidized offices and facilities to pursue entrepreneurial goals. Should the company fail, they can simply walk away and wait to start again. (Saich 2001: 207)

While Saich was talking about what would happen should these researchers decide to go into business, the same applies should they wish to set up NGOs instead. A large percentage of popular NGOs, including some of the most celebrated 'genuine NGOs' in China, were created by academics who had remained in state employment but had sufficient free time to pursue parallel careers. They have won the epithet of 'amphibious people' (*liangqiren*). The consensus in NGO circles is that to remain 'amphibious' is the most advantageous arrangement, as amphibious people can have the best of both worlds.

Popular NGOs in China often complain that, unlike officially organized NGOs or NGOs in other countries, they receive no funding from the state. They tend to highlight to outsiders the hardships they have to endure while working under such conditions, but neglect to acknowledge the hidden subsidies from the state in such forms as the salaries of their staff, who remain government employees. Once one scrutinizes the history of popular NGOs in China, however, one will find that many of them have relied on personnel paid by the state to operate, at least in their early days. For example, the Jinglun Family Centre, an NGO that provides sex education for adolescents, was founded by a CASS researcher, Chen Yiyun. As she spoke of the first phase of Jinlun's existence: 'All the initial members were government employees, such as CASS researchers and doctors [from state-owned medical colleges or hospitals]. We depended on both government resources and international funding. Government resources included salary, housing, other benefits, such as health care, which the members received from the state. Government resources also included free classrooms for our activities, the government's networks, and volunteers [mobilized through government networks].'[13]

It is not just academics who have been able to pursue an NGO career while holding on to their state jobs. All the popular NGOs which I studied intensively were founded by non-academics. Like their academic counterparts, these founders also kept their state jobs and the concomitant pay and social security coverage for years, while they devoted most of their time and energy to the NGOs. For example, since 1995 Zhang Shuqin had spent her time almost entirely on the SPRSRA and the PCVs, but she continued to receive her salary from the Shaanxi provincial Prison Bureau, where she remained an employee. It was not until sometime in 1999, after she had moved to Beijing to start setting up a PCV there, that the Shaanxi Prison Bureau finally suspended her pay. In another case, the founder of a women's NGO is a section chief in a local government bureau. She has continued to serve in that capacity while running the NGO and has been drawing her salary from the bureau rather than the NGO. A few other staff members of the NGO are

also employees of the bureau and, like the founder, continue to be paid by the bureau. In addition, the NGO has been able to use some of the founder's bureau colleagues as volunteers.[14] In a final example, the founder of a private orphanage used to be a middle-school teacher. When she decided to set up the orphanage, her work unit temporarily relieved her of all her teaching duties so that she could concentrate on her charity work. Meanwhile, the work unit carried on paying her salary and bonuses.[15]

The importance for NGO practitioners of staying on the government payroll can hardly be exaggerated. As most popular NGOs find it difficult to raise money for staff salaries and administrative costs at the beginning, their founders and initial staff would not have been able to enter NGO work if they were not supported by the income from their state jobs. Furthermore, the continued connection of these amphibious people to their state work units means that they usually have access to other government resources as well. Many NGO founders were able to persuade their work units to provide them with free office space or simply ran the NGOs from their offices in the work units. For example, the women's NGO mentioned in the preceding paragraph was allowed to use an unoccupied office of the local government bureau free of charge. The bureau also allowed the NGO's staff to use its vehicles to travel to remote rural areas to carry out their work.[16] While this kind of support costs the bureau very little, it was a big help to the NGO, especially in the first couple of years when it did not possess a vehicle of its own.

Not only can popular NGOs access government resources through the connections of their staff, they can also do so through the connections of their clients. In the early days of one of my case studies, the Zhiling special education school for mentally disabled children, many parents mobilized the resources of their own work units for the school. As a founder of Zhiling recalled, once, when the school was due to move to a new location, it asked the parents to borrow vehicles and drivers from their work units to help transport the school's possessions. On the day of the move, so many vehicles turned up that they filled up an entire street.[17] Parents also obtained free equipment from their work units for the school. One parent was an electrician employed at a state-owned enterprise. He installed the electric power system for Zhiling using equipment which he took from his work unit. As a result, the system did not cost the school a single penny.[18]

Chinese NGOs have drawn on state-owned resources in so many different ways that it is impossible to produce an exhaustive list. So far I have discussed some common ways for popular NGOs to tap into state-owned resources. In addition, my field study showed that each individual NGO had also manifested its resource dependence on the state in its specific ways. In the case of the PCV in Xincheng District, Xi'an City, through the intervention of the district government, the children were able to attend a local state school even though they did not have local resident status. Furthermore, the school waived all fees for them. Similarly, the district Health Bureau agreed to provide free medical treatment and examination for all the children (Chang 2000: 121). The PCV was home to about 40 children. The majority of them came from rural areas so they were not eligible for public health services, which were reserved for the urban population. If the district

government had not extended its assistance, the PCV would have had to pay the full cost of any medical treatment the children might need, which would be very expensive. The same applies to the school fees. As the children were not local residents of Xi'an, local schools would have charged each of them a large fee for a place. Therefore the remission of educational and medical charges for the children relieved the PCV of an enormous financial burden.

The aforementioned private orphanage founded by a middle-school teacher also relied heavily on state-controlled resources. To give just one example, to generate income for the orphanage, the founder set up a couple of businesses, including a tea plantation. The middle school where she worked was a subsidiary unit of a giant state-owned enterprise, an iron and steel company which employed over 100,000 people. While her immediate employer was the middle school, she was ultimately an employee of the iron and steel company. To support this woman's orphanage, the company purchased its tea from her plantation. Given the enormous size of the company, its orders were always for large quantities, which ensured handsome profits for the plantation.[19]

In yet another case, a private residential home for disabled children was located near a military camp, so the director decided to exploit the manpower of the army. The Chinese army has a long-running policy of encouraging its soldiers to build up good relations with civilians by contributing to the material and cultural life of the local communities where they are stationed. Knowing this tradition of the army, the director asked the army camp to supply volunteers for her residential home. The camp granted her request and sent soldiers to lead physical exercises and training for the children every morning. This saved the director the cost of hiring a teacher for physical education.[20] Later, the director decided to move the residential home to a new location. She found some premises that had been unoccupied for a long time. As a result, a huge garden attached to the premises had become covered with weeds and garbage. The cleaning bill would have cost the NGO a fortune. Fortunately, the premises were again in the vicinity of a military base, so the director approached the base for volunteers again. Dozens of soldier came to help clean up the place, which saved the NGO both time and money.[21]

Thus far I have given examples of Chinese NGOs exploiting the material and human resources of the state. Next I discuss how they take advantage of the symbolic resources of the state. By 'symbolic resources' I refer to the less tangible assets of the state and its agencies and officials, such as influence, reputation, contacts and the ability to control the media. While many Chinese NGOs are in fact subsidized by the state, typically in the form of staff salaries and free office space, most receive very limited, if any, project funding from the state,[22] therefore they need to raise such funding themselves. Although their project funding does not come from the government budget, NGOs rely heavily on their formal and informal ties to the government to raise money. In other words, when they do not draw directly on the economic resources of the state, NGOs capitalize on the state's symbolic resources, which can be converted into economic resources for them. Given their better connections to the government, officially organized NGOs are generally in a more advantageous position than popular NGOs to exploit the

symbolic resources of the state. The CYDF's experience in mobilizing corporate donations provides a typical example of how such exploitation takes place.

As mentioned in the previous chapter, in its first decade the CYDF raised a total of 1.78 billion yuan under Project Hope. Of this total amount, the majority was in corporate rather than individual donations. Most businesses considered donations to Project Hope a form of advertising that was cheaper and more effective than commercial advertising. In the words of a CYDF staffer: 'Our fundraising department has become an advertising agency' (Sun *et al.* 1999: 162). The most important reward the CYDF could offer corporate donors was donation ceremonies, which were attended by top state officials and guaranteed coverage by major news media. Organizing such ceremonies soon became the main task of the CYDF's fundraising department. This service became so standardized that all a corporate donor had to do was to sign a detailed agreement with the CYDF that specified the amount it was going to donate. Depending on the amount, the CYDF would promise to invite state officials of a certain rank to the ceremony and bring in a certain number of media units to cover the event. Once an agreement had been signed, the corporate donor could leave everything to the CYDF. The donor just needed to have the cheque ready, so that its representative could hand it over to the CYDF, then shake hands with state officials in front of media cameras at the donation ceremony. Initially the CYDF depended on the CYL to secure the presence of top-level officials at these ceremonies. Later, because it had organized so many ceremonies, it got to know well all the government offices that handled the public engagements of top officials, so it could approach those offices directly without bothering the CYL any more (*ibid*.).

How useful was the kind of advertising that the CYDF and the provincial Youth Development Foundations (YDFs) were able to offer corporate donors? Sun *et al.* (1999) gave an indication in their book. A newly founded, little-known private company asked a provincial YDF to help raise its profile. The YDF suggested that the company donate a vehicle to it. In return, the YDF organized a donation ceremony, which received live coverage by the local media. In addition, the YDF invited a deputy secretary general of the provincial Party Committee to the ceremony, who personally received the vehicle's key from the company's owner. The company also agreed to make an annual donation of 40,000 yuan to the YDF. In return, the YDF organized a publicity event for the company every year, all of which were covered by the media. To thank the media for their support, the YDF also arranged for some journalists to receive commendation and a cash award from the Publicity Department of the provincial Party Committee and the provincial CYL Committee. Although the commendation was given in the name of these two organizations, the cash award was provided by the private company. Afterwards, the local media became even more supportive in covering the company's philanthropic activities. With the assistance of the YDF in boosting its image, the private company grew from a tiny operation with a capitalization of 300,000 yuan into a big business with over 100 million yuan in assets within 10 years. The YDF had, in effect, functioned as the company's advertising department (*ibid*.).

Many corporate donors prefer giving money to big, well known officially organized NGOs rather than small, obscure popular NGOs, because not only can the former offer businesses more publicity for their money, they can also introduce them to high officials who can be approached for assistance later.[23] Organizations such as the CYDF can even arrange for big corporate donors to meet a member of the Standing Committee of the Party's Politburo.[24] Little wonder, then, that popular NGOs often complain that corporate donations are motivated primarily by 'political considerations', consequently they only end up in the bank accounts of high-profile government-organized NGOs (GONGOs).[25] Nonetheless, popular NGOs with good connections can also exploit the symbolic resources of the state to their own advantage, just like their GONGO brothers. One popular NGO I studied enjoyed the patronage of a retired senior official who still played an active role in a large GONGO. This allowed him to go on frequent business trips to foreign countries. Because of his previous position in the central government, this official had many contacts in Western countries. The popular NGO persuaded a company to let it use one of its properties for free. In exchange, the NGO's patron agreed to search for foreign investors for the company next time he went on a business trip abroad.[26]

When NGOs exploit the symbolic resources of the state, such as the influence and connections of high officials or the propagandist power of state-controlled media, they are offering their donors access to these resources in exchange for economic resources. Such exchanges take place on a voluntary basis, consequently they fall under the rubric of the so-called 'socialized' fundraising methods. As mentioned in Chapter 2, Chinese researchers have contrasted socialized methods with administrative methods. In the latter case, NGOs rely on the government to use its administrative power to do things for them. The CYDF has been widely praised by Chinese researchers for consciously pursuing a socialized mode of operation instead of depending on administrative methods, which distinguished it from many other officially organized NGOs. However, even the CYDF cannot afford to discard administrative methods completely. The study by Sun *et al.* has offered some examples of the CYDF's administrative fundraising methods. When such methods are put to work, NGOs are no longer merely exploiting the symbolic resources of the state. They are depending directly on the political power of the state and its administrative system to procure economic resources for them.

As Sun *et al.* related, although the CYDF constantly urged provincial YDFs to reduce their dependence on administrative fundraising methods, many provincial YDFs complained that, unlike administrative methods, socialized methods did not always deliver results. When the CYDF launched a nationwide fundraising campaign called 'Volunteers in Action' in 1998, provincial YDFs initially conducted their local campaigns according to the CYDF's plan – recruiting volunteers who would try to persuade their friends, colleagues or work units to donate money to Project Hope. Obviously this was intended as a non-administrative operation. However, local YDFs soon discovered that such purely socialized methods could not raise much money. As one provincial YDF told Sun *et al.*, they initially recruited six volunteers on a trial basis. After one month, only one of them managed to raise any money at all – a paltry 100 yuan. The YDF also found

a volunteer who was the principal of a business school. Thinking that he would have no difficulty persuading at least a few people from the school to become Project Hope donors, the principal committed himself to raise a minimum of 500 yuan. In the end, he failed to raise a single penny, and gave the YDF 500 yuan from his own pocket (Sun *et al.* 1999: 208–9).

Seeing that socialized methods were ineffective, some provincial YDFs went back to the old method of mobilization through the state's organizational system, in particular the work unit. According to one provincial YDF:

> This time volunteers are supposed to persuade others to donate money on a purely voluntary basis. In fact, this is still unrealistic in China. Later we changed our strategy. We made the Party Secretaries of various enterprises our volunteers, so the number one leaders of these enterprises were our volunteers, then we appointed liaison persons for these volunteers … we made the Youth League Secretaries of these enterprises their liaison persons. So how do you suppose these volunteers persuaded others to donate money to Project Hope? This is still organizational behaviour. Genuine volunteers are those whom I just mentioned: individuals who phoned our office to say they wanted to work for Project Hope. What will be his effect [in fundraising]? There will be no effect. (*ibid*.: 126)

Exactly how are donations raised within work units? As the secretary of the CYL Committee in a large state-owned enterprise said:

> Recently our workers have been asked to donate money to various causes. The labour union, various departments came one after another to ask for donations in cash or in kind… . Our enterprise is not making a lot of profit this year [which has affected workers' pay], so our workers cannot afford to keep donating money. Some workers are very unhappy about this, but they must hand in a donation whether they like it or not. (*ibid*.: 127)

Clearly, within work units charitable donations are often mobilized through administrative command, which leaves the employees no choice but to participate. Sometimes work units even deduct money directly from their employees' pay cheques. As the general secretary of a provincial YDF told researchers, she recently made an unsuccessful fundraising trip to a city where government employees had had money deducted from their salaries every month to go to various government-supported charitable causes, until everybody grew resentful. The municipal leaders told her straightaway that they would not support the new Project Hope fundraising scheme she was promoting (*ibid*.: 138).

In one provincial YDF, reflecting on the disappointing results of their socialized fundraising methods, a staff member told researchers:

> Where Project Hope fundraising has been successful, it is not because volunteers are in action, it is because the orders of the Party and the government

> are taking effect. For example, in W City, to launch the 'Volunteers in Action' campaign, the General Secretary of the municipal Party Committee and the Mayor all made personal donations and attended a big rally to launch the campaign. At the rally, the director of the Publicity Department of the Party Committee delivered the mobilization speech. Party Committee secretaries at county and district levels all went into action, so the whole campaign became organizational behaviour. Their volunteers were Party leaders, so naturally they achieved good results. (*ibid*.: 133)

In the end, although researchers have made much of the clever deployment of socialized fundraising methods by the CYDF, which they praise as a model for other Chinese NGOs (especially officially organized NGOs), they also recognize that the success of Project Hope is founded on the combination of administrative and socialized methods. As Sun *et al* (1999: 294) concluded in their study, if the CYDF had relied solely on socialized methods, it would probably have disappeared, or would at best be on its last legs by now. Therefore, although the CYDF has received little direct funding from the government, it nonetheless presents a good example of Chinese NGOs' resource dependence on the state.

It should be noted that administrative methods are not the prerogative of officially organized NGOs. Popular NGOs with good government connections can also make the government use its administrative power to raise funds for them. Saunders's Gull Protection Association of Panjin City (SGPAP) is a popular environmental NGO which has received strong local government support. The deputy mayor of Panjin in charge of environmental protection is an advisor to the SGPAP. He has instructed the municipal Environmental Protection Agency (EPA) to provide funding to the SGPAP. Another deputy mayor is also very supportive of the SGPAP. In 2005, the SGPAP applied to the municipal government for funding to set up a website. This deputy mayor informed the SGPAP that the Panjin government had a specific policy which forbade the allocation of municipal funds to NGOs. However, the deputy mayor was determined to help the SGPAP, so he suggested the EPA submit the funding application instead of the SGPAP. This way the money was given to the EPA, not the SGPAP, even though it ultimately went to the SGPAP.[27]

NGO dependence on the state for project implementation

While the state apparatus has played an important role in fundraising for Project Hope, its role in the project's implementation is even more pronounced. As mentioned in Chapter 3, the CYDF has used the CYL's nationwide organizational network to dispense Project Hope funds. On the one hand, this arrangement benefits local CYL organizations, as they get the chance to spend the money raised by the CYDF. On the other hand, the CYDF benefits directly from this arrangement as well, as it does not have the organizational capacity to implement Project Hope itself. Although there are YDFs at the provincial level, because of the government regulations that prohibit NGOs from setting up regional branches, the provincial YDFs are all independent organizations rather than branches of the CYDF. In fact,

some provincial YDFs have a closer relationship with provincial CYL Committees than with the CYDF. Even if provincial YDFs could function as branches of the CYDF, it still would not enable the CYDF to implement Project Hope itself, as there are very few independent Project Hope offices below the provincial level. In most places, Project Hope-related work at sub-provincial levels is carried out by the local CYL branches. If the CYDF were to perform the concrete tasks of project implementation itself, including identifying individual students eligible for sponsorship, ensuring that the money is delivered to each and every one of them at the beginning of every term, supervising the construction of new schools, and monitoring the construction expenditure, it would need to have an organizational presence down to village level. As it does not have such a presence, the CYDF has no choice but to use the CYL's network.

In addition to grassroots CYL organizations, the CYDF has also relied on government education departments at local levels to implement Project Hope. As noted before, at the central government level the CYDF has had rather strained relations with the Ministry of Education. However, at the local level it has enjoyed excellent cooperation from education departments. Unlike the Ministry, local education departments do not need to be concerned about who gets the limelight for improving basic education in the country. Their primary concern is their achievement in providing education for their local areas, measured by such pointers as school attendance rate and the number of new schools that have been built. Therefore local education departments can only benefit from the implementation of Project Hope in their locality, and consequently they are all happy to offer their assistance.

To the CYDF, the involvement of local education departments is often as indispensable as that of local CYL branches. The CYL has organizations at county and township levels all over the country. They have assumed the main responsibility for implementing Project Hope. However, in some places the CYL has no effective organization at the village level. In such places, the cooperation of education departments becomes crucial, as village schools are then asked to help identify students in need of financial assistance and maintain the contact between Project Hope and these students. In some places, CYL organizations may also be understaffed below the county level. In these places, the CYDF relies on education departments to take charge of any work that is carried out below the county level. Even where the CYL is fully functional down to the village level, the participation of the education department is still very important, as after new schools are built with Project Hope funds they need to be assigned teachers, allocated budgets, and supervised and inspected regularly. These matters all need to be taken care of by the education department (Kang 1997).

While other NGOs may not have the CYDF's ready access to the CYL's network and local government education departments, they rely on similar arrangements with the state administrative system to implement their projects. The reason that NGOs need the assistance of the state to carry out their operations is obvious. Although the Chinese state in the reform era can no longer be called 'totalitarian', it is still the only institution with a fully developed organizational network that extends into every grassroots community in the country, and its administrative

system retains considerable mobilization capacity. At the same time, the state has prevented NGOs from developing their own organizational networks by forbidding them to establish branches outside the sites where they are registered. Under the circumstances, NGOs have no alternative but to turn to state organizations for help with project implementation.

A study commissioned by the China Foundation for Poverty Alleviation (CFPA) has documented the poverty alleviation work of over a dozen Chinese NGOs. From this study it is evident that, in many cases, local governments have assumed the main responsibility for implementing projects, whereas the NGOs' role has been providing funding and technical support. This situation is unavoidable when, as is often the case, the NGO is based in Beijing or the provincial capital city, while the poverty alleviation projects are located in rural areas many miles away from the cities. For example, the Yunnan Reproductive Health Research Association (YRHRA), based in Kunming, the capital city of Yunnan Province, has a micro-credit and health-promotion project for rural women in Luoping County. The day-to-day management of the project is entrusted to the Louping county women's federation, as members of the YRHRA all live in Kunming and cannot spend a lot of time in Luoping. Initially, YRHRA representatives would go to Luoping every time new loans were handed out. Later, they did not even find their presence on such occasions to be necessary. At the time the YRHRA was interviewed about the Luoping project, it appeared that more than a year had passed since its members' last visit to Luoping (Yang 2001b).

Among the NGOs featured in the CFPA study, a few are physically closer to their projects than the YRHRA. These are typically county-level NGOs that carry out projects in the same county where they are located. Not surprisingly, these NGOs are more directly involved in project implementation. Nevertheless, they demonstrate a strong dependence on government structures at the township and village levels for their operations. As the general secretary of the Yilong County Rural Development Association (YCRDA) describes the process whereby they select townships to participate in their micro-credit scheme:

> We will check the township's geographic condition, and we need to see if the township government is enthusiastic about the project … We work this way: if the government and Party Committee of the township are supportive of the scheme, then we send our staff to the villages to explain directly to the peasants how the scheme works … We ask the township government to gather together all the village cadres and tell them about the project. The village cadres then go back to their villages to pass on the information to the peasants. If the peasants say they are willing to participate in the project and the village cadres are also willing to support it, then we send our staff down there. The village cadres will help us convene a general meeting of the peasants and we will tell them about the project. (Yang 2001a: 88)

The YCRDA's need for assistance from township and village administrations is inevitable, as Yilong county has a total population of almost a million, which is

divided into 69 townships and 844 villages, whereas the YCRDA only has 40 staff (Yang 2001a). It is impossible for the YCRDA to run everything itself without the support of the highly effective government administrative system at grassroots levels. Another county-level NGO featured in the CFPA book, the Linqu County Poverty Alleviation and Economic Development Association, has only 20 staff. It has implemented over 30 projects since 1987, largely through the assistance of county government bureaux and township governments. Again, this is not surprising, given the limited human resources of the Association against the large size of even a single township. For example, a rabbit-raising project of the Association was implemented in only one township, but this township had a population of 22,000. The project involved a vast amount of administrative work, from selecting suitable households to participate in the scheme, purchasing the breeding stock and delivering them to those households, and providing the households with the necessary training and ongoing technical support, to helping the households market the rabbits when they were ready for sale. The township government was the natural, and indeed the only, candidate for this job (Lu 2001).

While the examples just cited demonstrate how NGOs often work with the government in rural areas, other examples suggest that the government's assistance is also indispensable to NGOs operating in urban areas. A case in point is the 'Green Community' initiative implemented by the popular NGO Global Village of Beijing (GVB) in an urban community (*shequ*) in Beijing. As the first step, the GVB obtained the support of a district government to experiment with waste recycling in one of its communities. At the suggestion of the GVB, a project leading committee was established at the district level, whose members included the directors of the relevant district government agencies, in particular the General Sanitation Bureau and the Environmental Protection Bureau. The district government then ordered the Street Office[28] in charge of the selected community to implement the project. The Street Office in turn ordered the community's Neighbourhood Committee to organize the recycling.

A GVB member said: 'The government's administrative system is very well organized. To get things done it is very important to have the government sending orders down its hierarchy. The Neighbourhood Committee would not have undertaken the work if it was not ordered to do so by the Street Office.'[29] When this GVB worker visited urban communities in other cities to promote the Green Community initiative, she found that Neighbourhood Committees were usually uninterested in such schemes. This is hardly surprising. Neighbourhood Committees in China are often saddled with a large number of tasks by higher levels, from mediating civil and domestic disputes, and maintaining public safety and security within their communities, to providing social welfare services to elderly and disabled residents. Government officials have estimated that Neighbourhood Committees typically have 40 to100 legal obligations or responsibilities, yet they are provided with only enough money for staff salaries, office space and utilities by Street Offices (Derleth and Koldyk 2002). As a result, as the GVB worker observed, Neighbourhood Committees had no incentive to take on extra work, such as organizing garbage recycling, unless they were ordered by higher levels.

The government's involvement in the GVB project in Beijing was by no means limited to instructing the Neighbourhood Committee to assist the GVB. In mobilizing the participation of community residents in the recycling scheme, the GVB has relied on government support every step along the way. At first, residents complained that the bins used for recycling were difficult to operate, as the lids must be lifted by hand. They preferred to have pedal-operated bins. The GVB contacted the district General Sanitation Bureau regarding this complaint. The Bureau changed the bins the following day. Next, residents suggested that a glass-fronted noticeboard should be erected in the community to serve as a vehicle for disseminating environmental protection information. The GVB brought this matter to the attention of the district Spiritual Civilization Office, also a member of the project leading committee. The Office gave the community 25,000 yuan to install the noticeboard.

As residents were urged by the GVB to join the recycling scheme to protect the environment, they started to complain that the immediate environment of their own community was suffering from serious pollution. In particular, they complained about the noise made by the air-blower of a supermarket located in the community, and the oily smoke emitting constantly from the kitchen of a restaurant. If the GVB failed to address these complaints by residents about the environment of their own community, it would have a hard time arousing their enthusiasm for recycling which, after all, would bring residents no direct benefit. Once again, through the project leading committee, the GVB was able to make the district government take immediate action on the two complaints. A solution was quickly identified and implemented by relevant government agencies. To improve the environment of the community, residents also asked that a wall behind the glass-fronted noticeboard be demolished. As the wall was owned by the Sanitation Bureau, its consent was necessary. At the time of my last interview, the GVB was in the process of contacting the Bureau to obtain its approval.[30]

Unlike the poverty alleviation projects mentioned earlier, the Green Community initiative needed government support not only because the GVB lacked the organizational capacity to implement the project itself, but also because in the process of mobilizing community participation, the GVB needed to respond to various requests from residents. Addressing the immediate concerns of the residents was crucial to drawing out their participation in wider environmental protection schemes, and the GVB needed the government's assistance to do so, as it had neither the administrative authority nor the resources necessary to address those concerns.

NGOs in other sectors often face a similar situation. When I conducted a review of the role of NGOs in HIV/AIDS prevention and care programmes in China in 2002,[31] it was clear that without the support of government agencies, NGOs would find it very difficult to work with the key target groups of these programs, such as injecting drug users and commercial sex workers. To begin with, drug use and commercial sex work are illegal. The police have the duty to arrest any commercial sex worker or injecting drug user they come across. Therefore, to attract the participation of injecting drug users and commercial sex workers in HIV/AIDS-prevention activities, such as training, needle exchange or condom

promotion, at the very least NGOs need to promise their clients that they will not be facing waiting police cars when they come to take part in these activities. To do so, NGOs must obtain the agreement of police departments that they will 'wink at' such activities with injecting drug users and commercial sex workers.

Often, NGOs would need more active support from the government than its acquiescence to attract the participation of injecting drug users and commercial sex workers. For example, when working with commercial sex workers, it is essential for NGOs to gain the cooperation of owners of entertainment establishments. However, these owners often ignore approaches by NGO workers. Consequently, it is necessary for NGOs to bring government officials with them, as establishment owners dare not ignore requests for cooperation from government officials, who can close down their businesses if they do not cooperate. In HIV/AIDS-prevention projects with injecting drug users and commercial sex workers, a commonly used method is peer education. To give injecting drug users and commercial sex workers incentives to work as peer educators, the government's assistance is again required. For example, some NGO projects made arrangements with government health departments to allow their peer educators to receive subsidized medical treatment at public clinics. Other projects obtained the police's agreement that they would not arrest any injecting drug user or commercial sex worker who worked as their peer educator. In projects focusing on care for people living with HIV/AIDS (PLWHA), NGOs are equally dependent on government interventions. At present, once their conditions are exposed, PLWHA usually face strong discrimination from their local communities, and it is often necessary for the government to use its authority to persuade communities not to ostracise their HIV-infected members. When NGOs try to help PLWHA improve their economic situation, for example by starting some small businesses, once again the support of local governments is vital. Such support can take any form, from simplifying or waiving the registration requirements for these businesses, to exempting them from taxation, to helping persuade local communities to patronize these businesses.

With the underdevelopment of the rule of law and the frequent interference in legal processes by the executive branches of the government, even NGOs who help clients defend their rights and interests in court need to exploit government connections to win lawsuits. The director of a highly successful legal aid NGO knows some high-ranking officials who have agreed to serve as the NGO's advisors. As a researcher explains the way this NGO operates, when defending cases that have a poor chance of being settled adequately in court, the director would turn to his official friends for assistance. Their intervention will, in most cases, lead to an amicable resolution of the disputes. The researcher observes: 'While not necessarily conducive to [bringing about] greater effectiveness of China's legal system, this method yields the most instant results' (Raab 1997: 46, footnote 115).

So far I have discussed only NGO dependence on the state in implementing projects that can be roughly classified as service delivery. A similar picture emerges when one looks at NGOs which engage in advocacy. Advocacy NGOs are not primarily concerned with delivering a service, but focus their energy on influencing government policies and public opinion, championing a particular cause or

defending certain rights. At present, advocacy NGOs are equally dependent on the state to achieve their objectives. A legal aid and research centre that has been able to make inputs in the legislative process at the national government level largely owes its achievements to its two directors, who are both renowned law professors and advisors to the Supreme People's Court and the Supreme People's Procuratorate. Some of their former students already hold high positions in those two institutions. Because of the connections and status of its directors, the centre has excellent access to the judicial authorities and received invitations to take part in drafting important new laws.[32]

The same phenomenon can be observed in other policy arenas. To the extent that NGOs can have some influence on policy-making, it is usually owing to their special connections to the government, rather than any other attributes or qualities they might possess. For example, when I asked the Executive Vice-President of the China Association of STD/AIDS Prevention and Control (CASAPC), Professor Dai, how NGOs such as the CASAPC could influence government policies on HIV/AIDS, Professor Dai explained that he was the Director of the Disease Control Department of the Ministry of Health for 11 years before moving to the CASAPC, and was still a key member of the Ministry's expert panel on HIV/AIDS. He was often invited to ministerial-level meetings where specific policies were decided. Professor Dai then asked rhetorically: 'If I am able to have some inputs into government policies, is it because I am a member of the CASAPC, because I am a member of the expert panel, or because I am the former director of the Disease Control Department?'[33]

The fact that effective advocacy depends on good connections in the government is well appreciated by Chinese NGOs. The Director of a popular NGO told international consultants that in 10–20 years' time she wanted to see her organization having 'more communication' with the government on the issues it worked on. When asked how she intended to achieve this goal, the Director replied that she would invite more professionals who were able to attend government meetings and conferences to join the NGO's board of directors. She would ask these people not to quit their jobs in government institutions in order to work for the NGO, but to endeavour to become more deeply embedded in government institutions. 'To penetrate deeper and more extensively into the government structure', as she put it. This way they would be more useful to the NGO.[34]

The President of the environmental NGO SGPAP articulated a similar strategy at a workshop to discuss how NGOs can have a bigger impact on environmental governance:

> Appointing [government officials as our] advisors is an effective way for NGOs to communicate with the government. We constantly add more advisors … In 2003, the SGPAP appointed the Party Secretary of Panjin City as an advisor … In 2005, we appointed the head of the municipal EPA as Honorary President. In 2006, our advisor the Party Secretary Zeng Wei was promoted to the Provincial Party Committee, so we had added a provincial official to our list of advisors … Because we continue to appoint new advisors, the

> basis for cooperation between the SGPAP and the government becomes more and more solid.[35]

At the same workshop, which was attended by two dozen environmental NGOs from all over China, participants agreed on a strategy to enable NGOs to become more effective in influencing environmental policy and practice. An important part of the strategy is to invite retired state officials, including officials in the Party, the government and the Army, to be volunteers for environmental NGOs. Participants suggested that NGOs should make the most of these volunteers' close ties to the state and their social networks. If necessary, NGOs should ask these retired officials to assume leadership positions. A research report prepared as background material for the workshop found that environmental NGOs in China were increasingly relying on 'forces within the state system' to promote their causes. Various NGOs interviewed for the report all described similar advocacy methods: 'we first obtained the support of the Deputy President of the provincial PPCC …', 'we submitted our report to the municipal PPCC …', and 'we contacted some retired officials who still retained influence in the government and gained their tacit support.'

NGO dependence on the state for knowledge and information

One of the main discoveries of my review of NGOs' role in HIV/AIDS programmes is that the effectiveness of NGOs can be seriously constrained if they fail to gain access to information held by government institutions. For example, an NGO project aimed at providing psychological counselling to PLWHA encountered tremendous difficulty in achieving its objective, because the project workers could not locate PLWHA. Widespread discrimination against PLWHA had made them go to great lengths to conceal their identities. Government institutions such as Disease Control Centres had detailed information on PLWHA. To contact PLWHA, therefore, the project must gain the cooperation of these centres first. In this case, however, some centres chose to withhold the information on the whereabouts of PLWHA from the NGO project, which resulted in its failure to find the people it was designed to help.

The information involved in this case is obviously of a special nature and is out of the public domain. It is therefore to be expected that NGOs would need the help of government institutions in order to obtain such information. However, other cases show that NGOs are also dependent on the government for ordinary information that is not restricted in any way. In such cases, although the information is not, or cannot be, kept secret, NGOs often lack the capacity to collect the information themselves, therefore they would still be crippled if the government did not supply them with the information. When Zhang Shuqin tried to set up a PCV in Beijing, one of the main challenges she faced initially was to find prisoners' children who needed residential care. Zhang Shuqin and her colleagues could no doubt acquire the information they needed by visiting every neighbourhood in Beijing to search for such children. However, with only two people working for

her and a large number of other pressing tasks in hand, Zhang Shuqin had neither the time nor the resources to search the city for prisoners' children herself. With its highly developed administrative system, the government could easily find out how many such children existed and where they lived. In fact, the municipal Justice Bureau initially agreed to compile a list of prisoners' children in Beijing for Zhang Shuqin. It asked each district Justice Bureau to carry out a survey of such children in their own districts. However, after the districts had done the work and submitted their reports to the municipal Justice Bureau, certain officials in the municipal government who opposed the PCV idea told the Bureau not to give the information to Zhang Shuqin. Her repeated efforts to make the government surrender the information all failed. Luckily, a young woman in a government office sympathized with Zhang Shuqin and gave her a tip in private. Following her advice, Zhang Shuqin approached district Justice Bureaux directly and tricked them into giving her the reports they submitted to the municipal bureau.[36]

In recent years, many environmental NGOs have campaigned against companies that damage the environment when pursuing their business activities. Although campaigning environmental NGOs, in general, have more capacity for investigation and information gathering than other types of NGO, the government is still a vital source of information for them. In the high-profile campaign against Asia Pulp and Paper (APP), one of the world's largest pulp- and paper-making companies, environmental groups led by Greenpeace China accused the company of destroying natural forests in Yunnan and Hainan provinces in order to plant fast-growing eucalyptus trees to supply its paper mills. Information on APP activities supplied by sympathetic local officials provided the campaigners with crucial evidence, which they were able to use against the company.[37] Environmental NGOs fighting the problem of water pollution also commonly rely on contacts in the government for water pollution data. Green Han River, for example, has recruited the heads of government water quality-monitoring stations as its volunteers, which enables it to receive water quality data free of charge.[38]

Apart from NGOs' lack of information-collecting capacity, their dependence on the state for information is largely a result of the government's lack of transparency and the reluctance of officials to keep ordinary citizens informed of government policies. As scholars point out, in China many government policies and regulations are communicated in the form of government documents instead of laws. Unlike laws, documents are not required to be open to the public. In fact, they are usually kept semi-secret. Ordinary people are often denied access even to documents containing policies that directly affect their daily lives (Shi 1997: 12). There are several reasons for officials' reluctance to publicize government policies and regulations. In addition to the cost involved in printing and disseminating such information (Li and Xu 2001), officials' monopolization of documents increases their power, as it allows them to interpret policies according to their own preferences without being challenged by the public (Shi 1997).

The experience of the parent of a disabled child in a government office is indicative of the reception ordinary citizens may expect when asking officials for information on government policies. This parent heard that a new policy had been

put in force that entitled disabled people to increased government subsidies, so he went to a government agency to make inquiries. After he asked a few questions, the official who received him grew impatient and said: 'If you think there is such a policy, then why don't you show me the document?' This effectively shut the parent up. He left none the wiser about the social welfare entitlements of disabled people.[39] An incident I witnessed personally while interviewing an official presents another poignant example of the difficulties for ordinary citizens to obtain information. During the interview, which took place in a provincial Civil Affairs Bureau, a couple who wanted to adopt a child came into the office to ask for information on adoption law and procedures. They had already been to some sub-provincial-level government agencies. Those agencies could not provide them with the relevant information and had advised them to come to the provincial Bureau. Instead of giving them any information, the official told them to go back to the Civil Affairs Bureau at the city level, which was the administrative level immediately below the province. After the couple left, the official explained that he could have given the couple the information they were looking for straightaway, but he did not do so because government agencies at lower levels should take care of such inquiries instead of referring people to the provincial Bureau. The official complained that lower levels often did not do their jobs properly, and the provincial Bureau must hold its ground and refuse to do the lower levels' work for them.[40] While this official may have a point, ordinary citizens like this couple often end up travelling between various government offices chasing some basic information that should have been easily available.

Operating in such an environment, Chinese NGOs are often dependent on special relations with government agencies or officials simply to keep abreast of government policies. For example, Friends of Nature relies on its contacts in the State Environment Protection Agency (SEPA) to pass on information on government environmental policies so that they can avoid open clashes with the government (Raab 1997). Even more frequently, NGOs rely on their friends in the government to inform them of government practices, which can be even more elusive than policies, as no written information on such practices may exist. For example, the founder of a popular NGO in a southern city had tried for a couple of years to set up a similar organization in Beijing, but local policies in Beijing stipulated that nobody who was not a permanent Beijing resident could serve as the legal representative (*faren daibiao*) of a Beijing-based NGO. This NGO director had cultivated the friendship of a Beijing official who kept her informed of new developments on this front. I once had lunch together with the NGO director and her official friend.[41] During lunch, the official told the director that the Beijing municipal government might now be willing to take a more flexible approach on this issue. Recently, a Beijing-based NGO that wished to change its legal representative had proposed a replacement who did not possess permanent Beijing resident status. The NGO had submitted the candidate's information to the government for approval. The official said that he would keep the NGO director informed of the government's decision on this matter. If it gave its approval in this case, the NGO director could then ask the government to allow

her to be the legal representative of her Beijing NGO, citing this precedent to support her application.

The experience of the SPRSRA provides a happy example of NGOs benefiting from inside information on government practices. In 1999, the Communist Party's Central Supervisory Committee on the Construction of Spiritual Civilization gave the SPRSRA 600,000 yuan to upgrade the facilities of its three PCVs in Shaanxi. This has given a strong boost to the image of the PCVs, and Zhang Shuqin often mentions it to government agencies and potential donors to demonstrate the legitimacy of her work. Zhang Shuqin said of the grant: 'This is not about money. This is about government approval. It sends out the message that we are backed up by the government.' When I asked Zhang Shuqin how she managed to get the money from the Committee, she told me that she simply sent a letter to Ding Guangen, the chairman of the Committee. This surprised me greatly on three accounts. First, senior central state officials like Mr Ding rarely reply to letters from members of the public. In fact, most such letters do not even reach these officials. Besides, state funds are not allocated this way. One simply would not expect a central state agency to give money directly to a local NGO. Finally, the Committee seems to be a central Party organ responsible for providing policy guidance to Party and government units on spiritual civilization-related work. It does not seem to be an agency with a budget to fund individual projects. Putting all these facts together, few people would have thought it anything but a total waste of time to write a letter to Ding Guangen to ask for money, so why did Zhang Shuqin do it, obtaining such a good result? The answer was that she received inside information from somebody who knew Mr Ding's habits and the Committee's finances well. This friend told Zhang Shuqin that, unlike other senior state officials, Mr Ding usually read letters from the public rather than leaving them to his secretaries to deal with. He enjoyed being able to give out money and had recently procured some funds for his Committee to spend. This friend suggested to Zhang Shuqin that she write to Mr Ding. Within a week, Mr Ding had awarded the PCVs 600,000 yuan.[42]

NGOs not only need good knowledge of government policies and practices, they also need to know how to interact with the state bureaucracy with which they inevitably come into frequent contact. NGOs must study and observe the so-called 'unwritten rules' of the bureaucratic system, otherwise they can easily offend government offices or officials without realizing it. Once they have caused offence, NGOs may face endless obstruction from government agencies.[43] Even though many NGO staff are amphibious people, as mentioned before, and are therefore not ignorant of the conduct of government affairs, during my field work I found that NGOs usually had a circle of informal advisors who were well versed in the way the government and its officials operated. Not surprisingly, these advisors were mostly incumbent or retired government officials who were friends of NGO staffers or who supported the goals of the NGOs and were therefore willing to lend their assistance. NGOs relied heavily on the advice of these friends to manage their relationships, particularly relationships with the state. Sometimes NGOs may also receive advice from people in the government who are not their friends but who sympathize with their causes, as in the aforementioned case of

the young woman suggesting a way of obtaining the information on prisoners' children in Beijing to Zhang Shuqin.

The issues on which NGOs need the advice of their official friends are extremely wide-ranging. One NGO director was invited to a conference in Hong Kong, but she did not realize that applications for entry clearance for Hong Kong would take a few weeks to be approved. By the time she submitted the application, there was not enough time left for her to obtain the clearance. However, some officials suggested an alternative route, which involved declaring the purpose of her visit to be conducting business affairs instead of attending a conference. As the processing of such applications took less time, this enabled her to receive the travel documents in time for the conference.[44]

NGOs also frequently rely on their advisors to edit their reports and applications and to coach them on how to present themselves to the government and the public. The SPRSRA summarizes its work in the slogan 'Eliminating potential problems for the government, taking on social responsibility of our own accord'. As Zhang Shuqin revealed to me, she was taught these words by a former vice-governor who was a supporter of her PCV initiative.[45] It seemed that many of Zhang Shuqin's important applications had benefited from the skilful editing of her advisors. For example, the letter she submitted to the China Charities Federation, an officially organized NGO, asking it to host her activities in Beijing, had been edited by a retired senior Beijing official. The director of an environmental NGO which carries out politically sensitive campaign told me that every single letter they sent to the government had been edited by advisors who were People's Congress representatives. In a letter addressed to the head of SEPA to expose the extent of water pollution in their area, the NGO wrote: 'Even people's survival is under threat. Under the circumstances talking of "development" is a luxury.' Only after receiving assurances from their advisors that such language would be acceptable to the government and would not bring political risks did the NGO send the letter.[46]

NGOs may even need advice on how to bribe officials. One NGO needed to build an extension to its premises, for which it must obtain the approval of the Bureau of Land Administration. The section chief who reviewed the NGO's application refused to give his approval. The NGO managed to bring the matter to the attention of a director of the Bureau, who asked the section chief to approve the extension. However, the section chief spoke to another director who was at odds with this director, and who backed up his original decision. The NGO sought the help of an advisor, who told it to give the section chief a bribe, and advised the NGO on the appropriate amount as well as the appropriate way to offer the bribe. Acting on the advice, the NGO successfully brought the section chief around.[47]

While NGOs most frequently rely on the guidance of their advisors to deal with government agencies and officials, they also draw on the knowledge and information of these advisors in managing other important relationships, such as those with the business community. I witnessed a meeting between an NGO director and a government official to discuss how to raise funds for the NGO from Chinese entrepreneurs. The official told the NGO director that she possessed a

list of entrepreneurs who were willing to pay a good price for a meeting with top state officials. The official offered to share the list with the NGO director. She then went through the names of some top officials who she thought the NGO could approach to see if they were willing to be its board members or advisors. Once the NGO succeeded in getting these officials on board, said the official, it would easily make the entrepreneurs open their purses by arranging for them to meet the officials in exchange for a big donation to the NGO.[48]

Over a dinner I had with an NGO manager and a government official who was a close friend of hers,[49] I also found out how advisors might help NGOs deal with problems they had with local communities. The NGO wished to expand a school it had built, but the area surrounding the school was the graveyard of a local village. To expand the school, the graves must be removed first, but as expected, the villagers strongly objected to the idea. The official had been helping the NGO manager to persuade the local government to order the villagers to move the graves. In the meantime, he also suggested to the manager that she continue to work directly on the villagers by spreading a rumour that the area had bad *fengshui,*[50] which was why the villagers were so poor. To improve their luck, therefore, the villagers must move the graves of their ancestors to a place with better *fengshui*.

Conclusion

For the sake of this analysis, in this chapter I have broken up Chinese NGOs' dependence on the state into four thematic areas and discussed them separately. In reality, it is often impossible to separate the different types of support that NGOs draw from the state. For example, when an NGO receives funding from the state, not only has it obtained resources from the state, it has also gained legitimacy, which will facilitate the NGO's future attempts to win cooperation and support from government agencies and the public. Similarly, when an NGO relies on local governments to implement its projects, not only does it benefit from the organizational and human resources of the local governments, it also benefits simultaneously from the information and knowledge possessed by the local governments. In reality, Chinese NGOs' dependence on the state is usually comprehensive, rather than being confined to one of the four areas discussed in this chapter.[51]

Three decades after the inauguration of market-oriented reforms, the Chinese state still has a dominant presence in the economic and social spheres. It has retained extensive control over the allocation of resources and opportunities. It is this basic condition that has given rise to Chinese NGOs' dependence on the state, just as it has created the dependent relationship between private businesses and the state. In this context, skilful NGOs, just like skilful private businesses, are the ones that have managed to draw as much support and supply from the state as possible, while at the same time maximizing their autonomy from the state. Exactly what kinds of skill do these NGOs possess? This is the topic of the next chapter.

5 The skills of Chinese NGOs

In recent years, the international development community has shown a strong interest in supporting capacity-building for Chinese NGOs. The eagerness of donor agencies to give money to this cause has contributed to an outburst of NGO capacity-building programmes. Many international and Chinese organizations have run training programmes for Chinese NGOs. Training programmes tend to rely heavily on materials that have been designed and used in other countries, and often invite experts from outside mainland China, such as from Europe, America, Hong Kong and Taiwan, to be the trainers. Observers of the Chinese NGO sector generally share the view that the sector is still in the early stages of development,[1] and its capacity-building needs are vast. Assessments of such needs have generated long lists that include everything from strategic planning, programme management, staff training, public relations and image-building, to fundraising and communication skills, and the ability to mobilize volunteers (Young and Woo 2000; Deng 2001a; Kang 2002). Under the circumstances, those who are concerned to build up the capacity of Chinese NGOs have naturally tried to introduce them to the latest international NGO management theories and practices.

While learning how foreign NGOs are managed and listening to international experts can do Chinese NGOs a lot of good, the usefulness of many training programmes has been diminished by their failure to tailor the curricula to the specific needs of Chinese NGOs. Chinese NGOs' lack of capacity is only too obvious, especially if one uses as a frame of reference well managed NGOs in countries where the sector is long-established. However, current analyses of the capacity-building needs of Chinese NGOs have failed to recognize that many of them already possess advanced skills that may be very different from those taught by standard NGO training programmes, but that are crucial to their survival and development in the Chinese context. Instead of viewing NGOs' capacity as consisting of a universally applicable set of skills and using it as the yardstick for measuring the performance of Chinese NGOs, analysts and organizers of capacity-building programmes should first examine the skills that Chinese NGOs already have. A good understanding of such skills would probably help them to design capacity-building programmes that are more relevant to the needs of Chinese NGOs.

NGOs' capacity-building programs could also benefit from a better understanding of the root causes of the poor management of many Chinese NGOs. I suggested

in Chapter 2 that NGO research in China has suffered from a managerial approach that neglects political analysis. Partly as a result of this deficiency in NGO research, many people attribute the governance problems afflicting Chinese NGOs to their lack of management skills, so they have seized on management training as a solution to the problems. In fact, many ostensible management issues with Chinese NGOs, such as the lack of clearly defined goals and objectives, the lack of rational governance structures, poor financial management, inadequate human resource development, and so forth, have little to do with the capacity or skills of these organizations. The explanation needs to be sought elsewhere, for instance in the motives behind the establishment of these organizations and the purposes they serve. Often, NGOs are badly managed because those who are in charge have little incentive to change the situation. Instead, they may have every reason to maintain the *status quo*.

Finally, NGO capacity-building programmes can only be of limited efficacy if they focus only on NGOs themselves while ignoring their institutional environment. Once the management of NGOs is no longer considered in isolation, but examined in the context of the specific institutional environment of present-day China, then some management practices that are obviously 'bad' or 'irrational' under normal circumstances may actually make very good sense. In other words, there may well be rational justifications for certain 'irrational' management practices of Chinese NGOs. One can argue that instead of proving that Chinese NGOs lack skills, such practices indicate that these organizations possess good skills which allow them to adapt to the specific environment in which they operate.

In the first two sections of this chapter, I discuss the skills that Chinese NGOs have. I focus on their skills in two particular areas. The first section examines how NGOs manage their relationship with the state – arguably the most important of all their relationships – while the second looks at the methods they use to mobilize public support and raise money. In the third section, I explore some of the root causes of the poor management of Chinese NGOs. In the final section I use some examples to suggest that the skills of NGOs should be understood in relation to their specific institutional context rather than being left to standard capacity-building programmes to define.

Managing the relationship with the state

The previous three chapters have already offered some examples of NGOs' skills in handling their relationship with the state. Chapter 2 introduced some cases of NGOs manoeuvring to gain or claim political legitimacy, defined as political acceptability in the eyes of the state. Chapters 3 and 4 discussed how NGOs managed to evade government control and supervision while at the same time exploiting the power, authority and resources of the state for their own purposes. As has been mentioned, a common strategy used by NGOs to achieve their desired relationship with the state is to find patrons and allies in the government to provide them with the necessary protection and access. While sometimes outright bribery may be involved in NGOs' attempts to win friends in government,[2] usually they would resort to more subtle means.

One method often used by popular NGOs to develop good relationship with government officials is to take them on study tours to foreign countries or to international conferences outside China. The donor community has been very keen to provide Chinese NGOs with international exposure, which is considered an important and effective means of NGO capacity-building. Donors pay for these trips, while NGOs assemble the delegations. Often, NGOs would invite some government officials to join the delegation. As the opportunity to go on a foreign trip is still a highly coveted prize in China, such invitations would greatly endear the NGOs to the officials. During these trips, members of the delegation inevitably spend a lot of time together, not just during the daytime but also in the evenings and over weekends, when they go sightseeing or shopping together. This often ends in the development of warm friendships between NGO staff and officials. Often, after these trips, the officials become good friends of the NGO staff and can now be counted on for various favours.[3]

Although a less grand treat than foreign trips, free trips within China can also go a long way towards winning NGOs official friends. When I interviewed a senior manager of an international NGO (INGO), which had been the main donor of a local NGO, the manager complained that the local NGO often asked them to fund the trips of officials from its sponsoring agency. Just the day before, said the manager, he had received a phone call from the local NGO asking if the INGO could pay for a trip of the director of the agency to Beijing. The manager felt that these so-called study visits or conference trips had simply been used as gifts by the local NGO.[4]

Another method frequently used by NGOs to gain allies in the government is to invite officials to serve as their board members, directors or advisors. NGOs do not really expect the officials to do any work, but the titles allow NGOs to pay them salaries and offer them other benefits, for example, NGOs may pay the officials' mobile phone bills or reimburse them for taxi receipts. When I interviewed the director of a popular NGO whose relationship with the official whom she initially appointed the president of her NGO had turned sour, she complained that since the official's retirement he had not been of much help to the NGO, but had tried to take control of it. As he had more free time on his hands now, he had asked to be informed of every detail of the NGO's operation. The director paid the official a monthly salary that was much higher than that of the other staff. She also reimbursed him for various expenses, even though he did little actual work. Furthermore, his salary must be delivered to his home every month, as she could not ask him to come to the NGO's office to collect the money himself. The NGO director felt that the official was no longer an asset but had become a liability, so she eventually got rid of him.[5]

Not only do NGOs make friends with individual officials by offering them economic benefits, they also use this method to establish good relationships with government agencies. When I asked a popular NGO about one of its main projects, it turned out that the idea for the project actually came from the NGO's supervisory agency, as it was the official responsibility of the agency to organize such activities. However, the agency did not have sufficient funds to carry out the project, so

the NGO sought and obtained funding from an INGO to implement the project in collaboration with the agency, which meant the agency would get credit for the project without having to pay for it.[6]

Some popular NGOs have been able to establish good relationships with government agencies by applying for funding from international donors, then spending the money together with these agencies. A Chinese NGO practitioner I interviewed described this phenomenon as 'NGO–government collusion'.[7] Given the interest of many international donors in funding Chinese NGOs, especially those perceived as 'genuine NGOs' as opposed to government-organized NGOs (GONGOs), it is often easier for NGOs to obtain small-scale project funding from donors than government agencies.[8] It should be pointed out that this kind of collaboration with government agencies suits the NGOs too. As mentioned in Chapter 4, few NGOs have the capacity to implement even medium-sized projects themselves, so they depend on the government for project implementation. Therefore they are usually happy to leave most of the actual work to their government collaborators. A common perception among Chinese NGO researchers and practitioners is that when international donors fund an NGO project, they usually do not pay much attention to the process of project implementation as long as the NGO delivers results,[9] which leaves ample scope for 'NGO–government collusion'.

In addition to economic benefits, NGOs have also managed to win the goodwill of government officials and agencies by offering them political benefits. Although the NGOs I encountered during field work had varying degrees of affinity to the government, without exception their managers showed shrewd judgement of the political advantages to the government of supporting their organization. They were highly adept at catering to the political needs of government agencies and officials in exchange for concrete assistance to their organizations. One popular NGO persuaded a district government to help it establish an institution for disadvantaged children. It appointed a deputy chief of the district government as the director of the institution, although the institution's day-to-day operation was in fact under the charge of the NGO's manager. The NGO had carried out a tremendously successful publicity campaign from the day it was founded. Its earlier projects had received much praise from both provincial and central governments. As a result, the new institution it set up with the help of the district government was guaranteed ongoing positive media coverage as well as visits by high-ranking provincial and central government officials. Whenever the media or higher-level officials came to visit, the NGO manager would make sure that the district government, and in particular the deputy chief, who had been the most staunch supporter of the NGO in the district government, would receive sufficient credit for the success of the institution. The NGO manager said the deputy chief was the kind of person who sought the spotlight and longed for opportunities to present his good work to senior officials, so she had taken care to 'satisfy such needs of his'.[10] In return, she could count on his unreserved commitment to the institution and, through him, various types of material assistance from the district government.

Some popular NGOs I studied have sought government support by directly offering their political services to the government. One NGO director wrote an application

for funding to a government bureau, in which she listed as many as eight advantages to the bureau if it supported her organization. One advantage was the possibility of using the NGO to do certain things that it would be inconvenient for the bureau to do itself. Another advantage was that the NGO could serve as a bridge between the bureau and certain segments of society who were usually suspicious of the government and were therefore difficult for the bureau to reach directly. Finally, the NGO could also provide employment for retired bureau officials.[11]

One important form of political assistance that NGOs can offer the government is their public endorsement of government projects which need to be evaluated by international bodies. The government has received international development assistance funds which demand NGO participation as a conditionality. Although NGOs often complain that they have no real involvement in these projects and are simply put there for show, they have nevertheless played the part expected of them: turning up at government-organized ceremonies and attaching their signatures to government-prepared documents to help present a facade of government–NGO partnership.[12] One popular environmental NGO claimed that the purpose of its existence was to 'criticize the government' and even to act as 'the government's opponent'. However, when the government proposed to stage a 'Green Olympics' in its effort to win the bid to host the Olympic Games in Beijing in 2008, the NGO immediately put itself at the government's disposal and wholeheartedly joined the government's campaign to show how much it cared about the environment. This NGO was not alone; around the time of the Olympics bid some NGO activists were said to be so eager to offer their service to the government that their behaviour 'totally disgusted their peers'.[13]

The government at all levels have been used to presenting the work of NGOs as their own achievements. For example, in its 1995 white paper on the progress of human rights in China, the State Council described Project Hope as a project of the Chinese government to ensure its citizens' right to education (Kang 1997: 250). Given Chinese NGOs' comprehensive dependence on the state, the government is indeed justified to some extent in claiming credit for NGO projects. What is really interesting from the point of view of this study is that not only do NGOs fail to protest against the stealing of their honours by the government, but they often deliberately leave honours to the government. One director describes her NGO's strategy as 'letting the government have the praises'.[14] A study on how Chinese environmental NGOs manage their relationship with the government summarizes the common attitude of NGOs towards the government thus: 'You are Number One. I am Number Two' (Tao 2007: 20). By 'pretending to be Number Two' and letting the praise go to the government, NGOs are able to establish good relationships with the Number One.

Some NGOs go even further than this. They actively help the state use their projects for propaganda purposes. A case in point is the Shaanxi Province Returning to Society Research Association (SPRSRA) and the Prisoners' Children's Villages (PCVs) it has set up. A Vice-Minister of Justice from Beijing attended the inauguration of the first PCV. In her speech, the Vice-Minister declared that the establishment of the PCV was 'a forceful rebuttal to the attacks of some Western

countries on the human rights situation in our country'.[15] This speech seems to have set the tone for all subsequent presentations of the PCVs in the official media. An article in the *People's Daily* (27 May 2000: 6) even claimed that the PCVs represented pioneering work in international human rights history, and showed that the Chinese people had led the world in protecting the human rights of prisoners' children. The SPRSRA, for its part, danced faithfully to the government's tune. Mr Guo, a peasant-turned-entrepreneur and village chief who was appointed a Deputy Director of the SPRSRA after he agreed to host the first PCV in his village, told the media that the reason the villagers were happy to support the PCV was because they had become rich thanks to the Party's reform and open policy. To show their gratitude to the Party, the villagers wanted to make contributions to their country and society by supporting the PCV. At the same time, they wanted to show the world that 'Chinese peasants also attach great importance to human rights and they enjoy a broad range of human rights.'[16]

After the SPRSRA set up a second PCV in the provincial capital Xi'an, it asked the provincial Foreign Affairs Office to grant it the status of an 'institution open to foreign visitors'. Since then, the Xi'an PCV has received dozens of foreign delegations and has supplied the media with many quotations from these delegations, which commend the human rights situation in China. According to one SPRSRA report, the head of a US press delegation said: 'The Chinese people are truly remarkable. In our country there is also crime and there are also children living on the street, but nobody pays any attention.' The head of a delegation from the European Parliament said: 'The West says that China treats its children with cruelty, but we have seen that even prisoners' children are so healthy and lively. Therefore children who have parents must be leading even better lives.' After giving a number of such quotations, the SPRSRA report concluded: 'The PCV has become a window on human rights in China for foreigners and a powerful demonstration of our country's fulfilment of our obligation under the UN Convention on the Rights of the Child and our defence of human rights.'[17]

The China Green Shade Children's Village (CGSCV) provides another example of NGOs offering themselves to the state as propaganda tools. The CGSCV was a private orphanage founded by Ms Hu Manli, who began by adopting two orphaned children of a deceased neighbour. Local newspapers covered the story, which resulted in many orphans and abandoned children being sent to Hu Manli for help.[18] Since she could not adopt all the orphans who arrived on her doorstep, with the support of the local government Hu Manli set up the CGSCV in 1992 to provide institutional care for orphans. It seems that Hu Manli named the orphanage 'Green Shade' because a newspaper article once likened her to 'a big tree that provides a stretch of green shade for unfortunate children' (*China Youth Daily*, 13 April 1991: 1). In her various public statements, however, Hu Manli always described herself as merely a small leaf on the big tree of the Party. In a 1991 speech, she said:

> After the media reported my story, I received several hundred letters … Some people called me a 'Chinese philanthropist' in their letters. I replied that I

> was not a philanthropist. Philanthropists in the West are very rich people. Their charity is simply window dressing or carried out in order to ease their conscience. I am just an ordinary schoolteacher. I could not have done these things if I was not living under the socialist system.

In a newspaper article in 1994, Hu Manli wrote:

> Through the experience of rearing orphans and setting up a child welfare institution in the past few years, I feel that the Party's loving care can be found everywhere in our great socialist motherland. The Party is a big tree. I am a leaf on that tree. I am confident that with the support of the Party and the entire society I will turn the Children's Village into a success, and let it help to make our society full of love and kindness and make children who have lost their parents remember forever the Party's loving-kindness. (*Workers' Daily*, 9 March 1994: 2)

The skills of Chinese NGOs in dealing with the state are not only demonstrated at times when they cater to the latter's political needs in exchange for its support. They are also demonstrated when NGOs use political blackmail, instead of political payoff, to get what they want from the government. Once an NGO project such as the PCV or the CGSCV has been widely publicized and used to prove the flourishing of human rights in China or 'the Party's loving-kindness', the government's ability to control the NGO also becomes somewhat constrained. If the government shares the credit for these projects, then it must also share the blame if anything goes wrong. In any case, the government needs showcases and has a strong incentive to ensure that they do not fail. Knowing this mentality of the government, NGOs have used the high profile of their projects to fend off criticism and to force the government to provide them with continuous support. For example, under strong criticism from some local people, an NGO director who had achieved national fame and had been promoted as a role model by some central government agencies simply told local authorities that they should protect good models, otherwise they might face serious consequences.[19] Even without national fame, NGOs can still gain considerable bargaining power over government agencies once the latter have tried to score political points by associating themselves with the NGOs' work. A popular NGO I studied was unhappy about the way it was treated by its sponsoring agency, so it persuaded another government organization to be its sponsor. The new sponsor asked the NGO for a 'management fee' in return for its sponsorship, but the NGO manager was determined to refuse the request. As the manager said, she had enabled the sponsor to gain a good reputation by presenting itself as the organization behind the charitable deeds of her NGO. Therefore, if the sponsor insisted on charging her a management fee, she was 'not going to be courteous anymore' and would give them a hard time.[20] Having portrayed itself in public as being very supportive of the NGO's effort to help disadvantaged people, it would indeed be awkward for the sponsor to withdraw its sponsorship using the non-payment of management fee as the reason.

NGOs without the status of a political showcase can still blackmail the government by threatening to stop the services they provide. This is especially true in the case of NGOs that provide welfare services for marginalized groups, such as orphans or disabled people. Many such NGOs serve people who fall outside the narrow scope of the state welfare system. For example, the PCVs provided institutional care for prisoners' children who had not received welfare provision from the state, and who could not be cared for by their relatives. The CGSCV, similarly, took in orphaned children from rural areas, who state welfare homes could not accommodate. Once a large number of vulnerable people have been gathered in these private welfare institutions, however, should the institutions collapse, the government could not simply shut its eyes but would have to step in and make arrangements for the clients. As these private institutions raise the bulk of funding themselves, taking them over would impose a heavy financial as well as administrative burden on the government. As a result, the government is often willing to provide the necessary assistance to these institutions to keep them alive.

NGOs are quick to exploit the government's fear of their collapse to demand support and resist any attempt by the government to influence their management or services. Zhang Shuqin, for example, confessed that many local government agencies and officials did not approve of her management of the SPRSRA, but nobody dared to disband the SPRSRA or remove her as the SPRSRA's General Secretary because of the large number of prisoners' children living in the PCVs. When criticized by unfriendly local officials, she would tell them: 'As a matter of fact, I have wanted to quit for a long time. Why don't you take these children home with you?'[21] The manager of an NGO that provides institutional care for mentally disabled people employs the same tactics whenever the Civil Affairs Bureau, which is responsible for ensuring standard in social welfare institutions, asks the NGO to make changes to the way it provides services. After another non-governmental welfare home for mentally disabled people in the same city went bankrupt, the Civil Affairs Bureau bailed it out through a semi-government take-over, which cost the government a lot of money. This has given the NGO manager a handle against the Civil Affairs. Whenever Civil Affairs tried to tell the NGO what to do, the manager would challenge it to take over her institution just as it did the other welfare home, so that it could have its own way.[22] This tactics successfully deterred the Civil Affairs from taking any action against the NGO despite its recalcitrance.

The constraint on the government's ability fully to control large private welfare institutions was most clearly conveyed in my interview with officials in Lijiang, Yunnan Province, where Hu Manli, the founder of the CGSCV, set up another NGO called United Moms Charity Association (UMCA) in 1999. The UMCA ran a welfare home, a boarding school and a vocational training school for orphans. Together they housed over 200 children. The three institutions were supported largely with overseas funding raised by Hu Manli. The officials I interviewed admitted frankly that without Hu Manli and the money she brought in, they would not be able to sustain the institutions. As they said: 'The bottom line is that we

have no money, so even if we want to take charge of things we are not able to do so. Every time we hear Hu Manli is sick, we become very nervous.'[23]

While NGOs may occasionally resort to blackmail to wring concessions from the government, this is mostly a defensive rather than an offensive weapon. To gain active support from the government, NGOs rely primarily on the strategies mentioned earlier, namely offering government agencies and officials various economic and political enticements. One reason why blackmail can be of only limited use to NGOs is that the government is comprised of diverse interests. To Civil Affairs departments, which are responsible for taking care of vulnerable members of society, such as orphans and disabled people, the closure of NGO welfare homes is a serious threat, as they will have to clear up the mess. However, to other government agencies with no responsibility for social welfare, the same threat may carry little weight. The skills of Chinese NGOs in dealing with the state are partly reflected in their superb understanding of the different interests within the state, and their ability to exploit those different interests.

Although NGOs recognize the crucial importance of good relations with government officials, as a veteran NGO manager said, if unfortunately one did offend some officials and turned them into one's enemies, it would not be the end of the world, as there was frequent turnover in the government. One only had to wait a couple of years until the incumbents were replaced by new ones, then one could start anew by making friends with the newcomers.[24] Few NGOs I studied, however, had the patience to wait a couple of years if they encountered hostility from some officials. Under these circumstances, they usually sought out other officials in the same agency who were more friendly and tried to secure the assistance they needed from the agency through these officials. One NGO whose progress I followed for two years obtained the necessary support from its sponsoring agency by always putting its requests to a sympathetic official, while avoiding its requests being seen by another official who usually withheld his approval. When this strategy does not work, NGOs can contact a number of different agencies until they find the one that is most willing to support their work. When Zhang Shuqin tried to replicate her PCV initiative in Beijing, the first thing she needed to do was to find a sponsoring agency in Beijing. She had discussions with several organizations, including the All China Women's Federation, the State Family Planning Commission and its subsidiary the China Population Welfare Fund, and the China Human Rights Research Society, until she found the organization that was most receptive to her ideas, the China Charities Federation, and opened her office there.

NGOs also frequently exploit the conflicting interests between different levels of the government. For example, environmental NGOs fighting pollution at the local level typically seek central government backing when they encounter obstruction by local governments. Because their economic interests are tied closely to the development of local industry, local governments often see NGOs that expose the environmental cost of local industry as enemies, and subject them to constant harassment. The central government, on the other hand, can sometimes transcend the pursuit of narrow local interests and attach more importance to environmental protection. To counter the pressure from local governments, environmental

NGOs have developed various channels of seeking support from the central government, for example, asking sympathetic journalists to write 'internal references' (*neican*) – reports that are not intended for public consumption, but are seen only by high-level government officials – to alert Beijing of environmental problems at the local level (Lu 2007) and asking People's Congress representatives and members of the People's Political Consultative Conference (PPCC) to pass on letters to central government agencies. NGOs also try to influence senior central government officials through their friends and relatives. One environmental NGO found a friend of Premier Wen Jiabao's brother-in-law. The NGO paid for this person to travel to Beijing to deliver a report to Wen Jiabao through the brother-in-law. Another environmental NGO sought the help of a retired top leader through his sister, asking the leader to intervene to stop a local project which could cause severe environmental damage.[25]

Finally, some NGOs have even moved around different cities in search of a more supportive environment. Under increasing criticism from some local government agencies, one popular NGO I studied simply relocated to another city. Hu Manli, who initially established the CGSCV in Wuhan City in central China, moved her orphanage to Fujian Province on the south-east coast after her relationship with the Wuhan government deteriorated. A few years later, she moved again to Lijiang, Yunnan Province in south-west China, where the local government invited her to set up institutions for orphans and was prepared to mobilize its own administrative and financial resources to aid her effort.

NGOs have also exploited the different interests within the state to gain stakes in government projects. For example, an NGO in the health sector was allowed to coordinate a new HIV/AIDS-prevention project funded with multilateral aid money, because the Ministry of Health and the State Pharmaceutical Administration competed with each other to control the project. Each agency considered the work as falling under its jurisdiction, and neither would consent to let the other agency take the leading role. The NGO cashed in on the rivalry between the two agencies and won their approval to coordinate the project.[26]

Public relations and fundraising skills

During field research, I was often struck by NGOs' skills in forging a positive public image. One NGO director told me that many critics of her organization had accused it of financial irregularities and corruption. These accusations reached the ear of the Chief of the Popular Organization Management Division of the provincial Civil Affairs Bureau. The Division Chief warned the director that he intended to send people to audit the NGO's accounts. The director then invited the Division Chief to visit the NGO's administrative office, a dark room furnished with dilapidated desks and chairs of different sizes and colours, all donated by different people. After he saw the poor condition of the office, the Division Chief was very moved and said to the NGO director: 'No matter what rumours I hear again in the future, I will not believe a single word of it any more.' He then cancelled the request for a formal audit of the NGO's books. The NGO director had used this

incident to stress to her staff the importance of always keeping a modest office. She also told them that the organization should only pay its staff low salaries, in order to appear honest and clean, but could compensate the staff in other ways.[27] These other ways included buying a mobile phone for every staff member, buying cosmetics for them (justified on the ground that their skin was overexposed to the elements as they had to go outdoors frequently on official business), reimbursing the staff for their various expenses (such as mobile phone bills and bus tickets to and from the office every day), and allowing the staff to partake of some goods donated by the public.

I found that many NGOs would take meticulous care to show themselves in a good light to visitors, especially important visitors such as current and potential donors. When I arrived to study a non-governmental social welfare institution, it was expecting a visit the following day by a group of foreign tourists, who were going to make a donation. Some staff members were organizing the residents of the institution to give it a clean-up. However, they were stopped by the manager, who said the place would become dirty again if it was cleaned too early, so they should not bother with the cleaning until shortly before the arrival of the visitors. In another non-governmental institution, a residential home for mentally disabled people, I saw some written instructions from the manager to the staff before the visit by an INGO from which it hoped to receive funding and technical assistance. The instructions, which were extremely detailed, told the staff how to prepare the place in order to make a good impression on the visitors. For example, the staff were told to hang photographs showing the daily lives of the residents in each room, to put some books and toys in the communal living room, and to install a small kitchen. In short, the manager wrote: 'The place should have as much a family atmosphere as possible.'

Not only did many NGOs I studied know how to look good, but they also knew how to talk in ways that would win the trust of others. An NGO director was invited to take part in a television programme in Beijing. The television station sent her a plane ticket, but the director asked if they could change it to a train ticket and let her have the difference, saying that the money thus saved would allow the NGO to buy 20 sacks of flour, which could feed the people under its care for several days.[28] This director also told me a story about how she impressed visitors from a foreign company that wanted to give money to local charities and was referred to her organization. The director took the visitors to lunch in a restaurant. When her guests were getting ready to order, she told them not to order too many dishes, or anything expensive. This totally contravened Chinese social etiquette, as hosts are supposed to put their best food on the table and offer it in quantities that exceed the capacity of their guests, especially when the guests are foreigners. Chinese organizations often regale foreign visitors with lavish feasts which involve a lot of waste, usually paying for them with public funds. Many foreigners in fact feel uncomfortable about such feasts, thinking the waste is unjustifiable and distasteful. Nevertheless, most Chinese organizations continue to treat foreign visitors in this fashion. The NGO director in this case, however, deliberately went against the common practice. She explained to the visitors that she was going to pay for

the lunch out of her own pocket rather than using the NGO's funds in order to save the organization money. With her modest income, she could not afford to treat them to an expensive meal. According to the director, her uncommon and seemingly rude behaviour immediately won her guests over, who quickly decided that her organization would be worthy of their support.[29]

Other NGO directors I met were similarly skilled in using measured remarks and presentations to create a favourable impression. One director told journalists that she spent every penny of her lifelong savings to set up her NGO. Her son, who was living in America, was so moved by her dedication that he sold his business there and sent the money to her to put into the organization as well. This director also liked to tell a story about how her devotion to work forced her to neglect her duties to her family: while she was restoring a run-down premises where the NGO was to be housed, her mother fell very ill and eventually died. The other members of the family tried to break the news to her but could not reach her, because she was working around the clock on the premises and hardly went back to her flat to eat or sleep. When she eventually received the sad news, she flew home to attend her mother's funeral in the morning, then flew back in the afternoon to resume her work. This director has spoken of her personal sacrifices at a public forum: 'Running an NGO means you cannot see your mother before she dies and you cannot be a filial daughter to your father. Running an NGO means you must be prepared to see your husband leave you. Running an NGO means you will have to put aside all your human emotions and desires.'[30]

NGOs also know how to choose different words for different audiences. As mentioned earlier, Mr Guo, who agreed to host the first PCV in his village, told the media that as a peasant who had become rich thanks to the Party's reform policy, he wanted to find ways to repay the Party and make contributions to society. Although this explanation of his motivation for supporting the PCV would please the government, the SPRSRA felt that it would not have much effect on the public and foreign donors from whom it wished to raise money. Therefore Mr Guo was asked to give these audiences another explanation for his action. He was advised to say that while he was in prison himself during the Cultural Revolution as a result of political prosecution, his wife and children were left uncared for. For years they suffered terrible discrimination and lived in great hardship. This unfortunate experience of his family in the past motivated him to help prisoners' children once his own situation improved.[31]

In trying to forge a good public image, large officially organized NGOs usually have more means at their disposal than small popular NGOs. Given the rampant corruption in the country, a major factor deterring many people from giving money to charities is the concern that their donations will be embezzled or misused. NGOs such as the CYDF, which raise the bulk of their funds from private citizens and businesses, realize that their survival depends on winning the trust of the general public. Therefore they have devised various strategies to persuade the public that their donations are used properly and efficiently. One strategy employed by the CYDF was to invite members of the National People's Congress and the PPCC to supervise the use of Project Hope funds. Such supervision typically took the form

of short inspection tours to selected sites by members of these institutions. As a study commissioned by the CYDF itself describes this kind of supervision:

> In truth, the CYDF's move to invite members of the People's Congress and the PPCC to supervise Project Hope was no more than a strategy to show the public that it attached great importance to external supervision. It was also an attempt to expand the influence of Project Hope. It was aimed at persuading the public of the transparency and trustworthiness of Project Hope, in order to attract more donations …

As far as the members of the People's Congress and the PPCC who took part in the inspections were concerned, no department had explicitly given them the authority to supervise Project Hope or to impose sanctions. Most of them lacked a clear, strong sense that it was their responsibility to supervise Project Hope, and they were more used to carrying out 'inspection' than 'supervision'.[32] Furthermore, they were easily 'moved' by the CYDF's sincerity in inviting external supervision of Project Hope. Therefore, even if they did detect problems during the inspections, most of them adopted a 'lenient' attitude. Their final reports tended to 'report the good news but not the bad', or were 'strong on praises but weak on criticisms'. (Zhou and Chen 1999: 236)

In short, the study concluded that while external supervision of Project Hope by high-profile delegations from the People's Congress and the PPCC had generated a lot of publicity, 'in fact it has very limited real impact. Its function is "propaganda". It is to help creating an image of the CYDF as being unafraid of societal supervision and having nothing to hide' (*ibid*.: 269).

In the past few years, with more NGO corruption cases being uncovered, including the exposure of financial transgressions by the CYDF in 2002, several big officially organized NGOs have jointly launched an initiative to promote 'self-discipline' within the NGO sector. They proposed to draw up and abide by a set of standards that are stricter than the laws and regulations currently enforced by the government to govern the behaviour of NGOs.[33] Once again, as a Chinese researcher and long-term advisor to some of these NGOs confided to a small donor group, the organizations behind the self-discipline campaign were by no means well disciplined themselves. Their advocacy of self-discipline 'is more a tool for pursuing certain self-serving goals'.[34] From the point of view of this study, strategies such as inviting external supervision of Project Hope and advocating NGOs' self-discipline for propaganda purposes are a clear indication of the sophisticated public relations capability of Chinese NGOs.

Expert management of public relations often involves using the media. Many Chinese NGOs have demonstrated remarkable skills in this respect, as can be seen from the following examples. The first example is from the book by Sun *et al.* (1999) on the CYDF's fundraising methods. Sun *et al.* observed that a key technique used by the CYDF to 'build up a momentum for Project Hope' was to create non-stop publicity, which served to ensure that Project Hope would always stay in the public's view. A person working in the CYDF's public relations department

described how they achieved such sustained publicity, using the example of a charity concert for Project Hope in 1994:

> I gained a lot from taking part in this event. I learned what spin was all about. A concert is after all just a concert. At most you can have it televised live and put out a news report about it afterwards. But those who organized the concert were all public relations veterans. The whole process leading up to the concert became a spin exercise. During the preparation stage, which singer had gone into the recording room, which singer carried on recording despite having caught a cold, [these were all turned into news]. Our budget was very tight. Some singers had one recording session, but the result was not satisfactory, so they needed to do it again, but we had run out of money, so what? The singers paid for the recording themselves… . We continuously supplied such titbits to the media. The concert was turned into a hot news item. So I say it was a 'plot'. When you plan an event, you must have a 'plot' like this in order to attract everybody's attention. (Sun *et al.* 1999: 146)

All the major activities organized by the CYDF have been characterized by such a media strategy. While making sure the main activity received intensive coverage, the CYDF also continuously created related stories and fed them to the media, so that public attention was captured for an extended period around the time of the main activity. The result of this media strategy has been very impressive. According to a survey conducted in 29 cities across China, 93.9 per cent of urban residents aged over 16 knew about Project Hope (*ibid*.: 148).

The ability to harness the media is by no means confined to large, resource-rich NGOs like the CYDF, which can easily enlist the service of top public relations specialists.[35] My second example of NGOs' media management skills comes from a small popular NGO, an old people's home in Tianjin called Hetong Old Age Welfare Association (hereafter, Hetong). At a 2002 forum on the relations between NGOs and the media, Hetong's Deputy Director spoke about his organization's experience in dealing with the media. The following are excerpts of the speech:

> Secondly … [we need] a passion for creating news … [I] know there is a concept called 'planning news'. In practice, we often discuss the issue of how to produce and plan news with our friends in media circles… . For example, an old man or woman [living in our old people's home] who usually cannot move suddenly moved today. Is this news? This may not seem a significant event, but if we take it to the media we can create a vivid little story about the rehabilitation of old people in Hetong, and we have many such examples.
>
> Thirdly … I summarize this point in the phrase 'interest driven' … Talks about non-profit organizations (NPO) doing noble things and being public-spirited are fine words, but at present the remuneration which a journalist can receive from writing an article about an enterprise is different from what he/she can receive from writing about an NPO.[36] But NPOs have our own

> advantages … the media have slack seasons. News does not occur in large quantities every day from January to December, but the media needs news every day. Therefore, I choose to approach the media during their slack seasons … In addition, we try as much as possible to give journalists some remuneration. Of course the remuneration we provide cannot match that offered by big enterprises, but we NPOs have our own strength. Organizations like ours tend to have a lot of contact with foreign organizations, so if we have opportunities to go abroad we invite journalists to come with us[37] …
>
> Fourthly … it is crucial to create our own media, our own channels of communication, and a comprehensive feedback system … We set up Hetong in 1995. By 1996 we had already started our own magazine … Although our magazine mainly consists of scissors-and-paste articles, at least we have created a channel for making our own voice heard. Some media simply reprint materials from our magazine as their news stories. (Fang 2002)

The speech by its Deputy Director provides ample evidence of the highly developed media skills of Hetong. While Hetong's knowledge of the media is outstanding among small popular NGOs,[38] it is by no means unusual. Most organizations I studied attached great importance to the media as a powerful public relations and fundraising tool, and they all seemed to know how the media could be used most effectively. In the 1990s and early 2000s, media professionals in China frequently resorted to the technique of 'stirring up emotions' (*shanqing*) to maximize the impact of their stories on the public. *Shanqing* means appealing to people's heart rather than their head. Many NGO staff I met during that period were master practitioners of *shanqing*. As a journalist who advised an NGO on its media strategy said: 'Stories that stir up people's emotions will be most effective in rallying public support for you.'[39] One NGO I studied had a leader who was extremely skilled at providing journalists with dramatic stories with powerful *shanqing* effect, such as graphic descriptions of the sufferings of vulnerable people before they came to her NGO, which were then contrasted with their happy life after they were taken under the NGO's wing. She was also able to supply the media with vivid stories to show how many hardships she had personally endured in order to pursue her cause. One story went like this: On a new year's eve, the NGO had run out of money, so she went home to see if there was anything of value that she could sell, but her search yielded nothing. Her television had been sold long ago. The only thing left was a second-hand refrigerator bought from a flea market, obviously worthless. She wanted to sell her flat, but unfortunately she did not have full ownership …[40] As a result of this NGO director's ability to tell such moving stories, she became a favourite with the media. Journalists visited her office frequently. One journalist I met in her office told me the reason he enjoyed covering her work was because she was such a good narrator, and understood so well what kind of materials journalists wanted, that it required little work to write a story after an interview with her. All he needed to do was to type up the notes and it would be a good article already.[41]

This NGO director was certainly not unique in using the strategy of giving *shanqing* interviews to the media. Earlier I mentioned another NGO director who told the media how she could not attend her mother on her deathbed because she was working day and night for her NGO. This is another example of a typical *shanqing* story. A third NGO director I met was described by a colleague of hers as being so good at this kind of presentation that she never failed to move her audience to tears. This colleague of hers appeared to be well versed in *shanqing* techniques himself, as he told me several *shanqing* stories in praise of the director's selfless dedication. For example, he said that the director worked so hard that at the end of every day she often had no strength left to pour herself a glass of water, but the moment she saw the NGO's beneficiaries she became full of vigour again. Suffering from serious back pain, she was not even able to lift a kettle from the ground, but when she saw suffering children she bent and lifted them into her arms as if her back problems had completely disappeared.[42] This director also had a photographer working for her who, over several years, supplied the media with many photos that vividly portrayed the director's devotion to the NGO's beneficiaries and their love and affection for her. These photos appeared to have played an important role in gaining popular support for the NGO.[43]

One reason why NGOs often prefer to present their work in *shanqing* style is because they consider it to be most effective for fundraising purposes. One popular NGO I studied summarized its fundraising strategy in one sentence: 'Using the miserable condition of our target group to persuade the public to donate money to us.' Highlighting the suffering of their intended beneficiaries has been a common strategy of NGOs worldwide to arouse public sympathy. Images of starving children have often been used by western NGOs appealing for donations to help victims of famine and conflict in Africa. The point here is that many supposedly 'infantile' Chinese NGOs are no less skilled in fundraising than their western counterparts. For example, in the early days of Project Hope, the CYDF funded a professional photographer to spend one year in poverty-stricken areas to photograph poor children suffering from educational deprivation. The carefully chosen images of children who were 'dirty, thin, and clothed in rags, but innocent, good-looking, and loved to study' (Sun *et al.* 1999: 149) had a tremendous impact on the public, and moved many people to donate to Project Hope. The CYDF's general secretary said that a single such picture could often bring in enough money to set up a new school (Kang 1997: 273).

The following discussion, which I witnessed in November 1999 between the director of a small popular NGO and two journalists, further demonstrates the imagination and ingenuity of some Chinese NGOs when it comes to fundraising. The journalists were from different media organizations, but had both interviewed the director previously. They both became friends of the director and wished to be involved in the NGO's fundraising activities. Here I refer to the director as D and the two journalists as JA and JB:

D: We can set up something like a Supporters' Club. People can join the club by donating as little as 5 yuan each month. This way we should be

able to accumulate a good sum … We can launch a 'Kind-heart Contract' and ask movie and pop stars to sign such contracts which commit them to do a certain number of benefit performances for us every year. These stars often have bad reputations because they demand exorbitant fees for their appearances and evade paying taxes, so joining our scheme will help improve their public images.

…

JA: The Kind-heart Contract can be expanded. We can also sign contracts with ordinary people and businesses, not just with celebrities. Anybody can sign such a contract with us.

JB: Yes, and we can launch this campaign by calling it 'The Kind-heart Contract Action'.

JA: The contract can take different forms and can be set at different levels. For example, people can have the option of signing a contract for a fixed term, say one year. Or they can sign a contract to donate a fixed amount of money. They can choose from different amounts. The minimum amount can be set at a very low level in order to attract wide participation.

D: Yes. The contract can be very flexible. For example, law firms can sign a Kind-heart Contract to provide us with free legal service. Computer companies can set up a website for us for free. Television and radio stations can promise to make regular programmes about our beneficiaries. They can also promise to carry our advertisements for free. Magazines can sign contracts to donate one day's profit to us each year. We can also encourage women to donate their salaries on March 8, the International Women's Day, and so on.

JB: If we spin this thing well these goals are all achievable.

…

D: We should sign the contract widely. We can also sign it with the police, who can promise to issue temporary local resident permits to our people from other cities. Enterprises can donate their products instead of money to us. We will take anything they produce, even toilet tissues. In future we can set up our own related businesses to process and sell donated goods.

…

D: The media can also benefit from covering our Kind-heart Contract activities. The success of the media depends on how closely you relate your stories to the lives of ordinary people. The media in China cannot thrive by criticizing the government, like the media in Hong Kong.

…

D: We need to work on the celebrities gradually. We mustn't ask them for money immediately. If we ask them for money up-front, they are likely to get nervous. At the beginning, we will only ask them to do a benefit performance for us. Once we have developed a friendship with them, they will take out their purses voluntarily. The laid-off workers we hired initially only worked to earn their salaries of a few hundred yuan, but through frequent contact they grew fond of our beneficiaries, so they

started to put in more than a few hundred yuan's worth of effort. It will be the same with celebrities.

JB: We must launch the campaign within this month. Once we enter December the media will be focusing on celebrations for the new year and the new millennium. The emphasis will be on creating a joyous atmosphere. We can no longer make people shed tears and give money to the unfortunate, so we must hurry up.

This discussion shows that Chinese NGOs can be very creative and determined in their efforts to mobilize resources. Moreover, it shows that their fundraising ideas are firmly grounded in the realities of Chinese society, even though many of the methods proposed in this particular discussion sound similar to those routinely used by NGOs in other countries. Often, however, one finds Chinese NGOs resorting to methods that are more specific to the Chinese context to raise money. The following are some examples.

An officially organized consumer rights NGO raises money by recommending products to consumers, for which they charge a large fee from the manufacturers. During discussions following a talk by an official from the Popular Organization Management Bureau (POMB) of the Ministry of Civil Affairs (MCA), the official tactfully expressed concern about the NGO's practice, saying that it had recommended such a wide range of products to consumers that it was bound to make mistakes sometimes regarding the quality of the products it recommended. Furthermore, from the way the organization operated, one might get the impression that any manufacturer could have their product recommended as long as they were willing to pay. A representative of the NGO defended its practice by pointing out that another consumer rights organization received even more money from manufacturers. He then said that when it was first set up, the NGO had no money and few staff, so it had to survive somehow. Because of its successful fundraising, it now had more staff and funds, which meant it could be more effective in defending the rights of consumers.[44]

One popular NGO I interviewed had made money by investing in informal finance schemes that yielded extremely high returns. Such practices are illegal and are subject to periodic crackdowns by the state, but they continue to exist. Fortunately for this NGO, it pulled out after earning a 24 per cent interest on its deposit and before a major crackdown was launched.[45] Many other organizations were not so lucky. Lured by the promise of high returns, a number of foundations invested their money in high-risk non-banking financial institutions in violation of government regulations, and ended up losing millions of yuan.[46]

It has been a common practice for Chinese NGOs to raise money by organizing workshops, conferences and training. They make a profit by charging fees from participants that exceed the cost of hosting the event. Several NGOs I interviewed said that workshops and training had been their main activities and main source of income, although none of them was established as an organization specializing in this kind of activity.[47] Apparently many NGOs have charged exorbitant fees without being able to deliver good conferences or training. A researcher with a central

government think tank told me that among the letters of complaint the government received every day, a large number concerned profit-making workshops and training organized by NGOs. Along with workshops and training, many letters also complained about a third common money-making scheme of NGOs – organizing the publication of edited volumes and promising people to include their papers in such books for a certain sum of money.[48]

Many NGOs have also raised money by organizing competitions and appraisals. A lawsuit involving a children's arts foundation throws some light on how this works. In 1999, the foundation organized a national competition of children's paintings in collaboration with a travel agency. Several thousand families all over the country received notification that their children's paintings had won the competition and would be displayed at an exhibition to be held in Beijing. These families were invited to bring their children to Beijing to receive the winner's certificate, and were asked to pay sundry fees. When these families arrived in Beijing, however, they were not met at the train station and taken to their hotels by the organizers as promised. Many of them remained stranded in the train station for hours. The next day, many families found that their children's paintings were in fact not included in the exhibition. This resulted in nearly a thousand parents forming an angry crowd that temporarily threatened public order. Afterwards, a newspaper reported the incident and denounced the foundation for swindling money out of innocent children. The foundation laid the blame on the travel agency, claiming that the travel agency had usurped its name to invite all those families to Beijing, and it took the travel agency to court. Although the court ruled in favour of the foundation, it seemed that the foundation was hardly blameless in the matter. For example, the invitations sent out by the travel agency bore the official seal of the foundation, which was supplied to the travel agency by the foundation. In a memorandum from the foundation to its professional management unit, the Ministry of Culture, entitled 'Self-criticism', the foundation admitted that it had learned about the travel agency's usurpation of its name at some point, but had neither informed the Ministry of the problem nor taken action to avert the disastrous consequences.[49]

Whether the foundation in this particular case was really innocent or not, a POMB official told me that a large number of NGOs had indeed been guilty of using competitions and product appraisals to fleece participants of their money. In the case of product appraisals, NGOs target enterprises rather than individuals. Products by different manufacturers are compared and appraised, then medals are awarded to those products that are judged to be of high quality. If enterprises are willing to pay a good price, their products can easily win medals, so this kind of appraisal is meaningless to those who know how it works. According to the official, many enterprises understand perfectly that the NGOs are merely trying to squeeze money out of them. Nevertheless, they are happy to participate in these appraisals, because they can use the medals to fool ordinary consumers who are unaware that they are of little value. As both NGOs and enterprises have strong incentives to continue such appraisals, the government has been unable to stop this practice, although it has tried to do so for quite some time.[50]

Reasons for the 'bad management' of NGOs

In this section I discuss two common problems of Chinese NGOs, which have been widely regarded as management issues that need to be addressed by organizational capacity-building programmes. I will attempt to show that these problems are often not caused by any deficiency in the skills and capabilities of NGOs. Their real causes become clear once we understand the motivation and incentives of the people and organizations who create and manage these NGOs.

Lacking clearly defined goals and poor strategic management

Raab mentioned that, while carrying out an assignment to identify potential projects in China for a foreign foundation, she met some Chinese NGOs that declared themselves to be willing to undertake any project, even if it was only tangentially related to their stated missions (Raab 1997). What Raab witnessed is a rather common phenomenon among Chinese NGOs, many of which will take on any project as long as it brings funding. This could indeed be considered a management problem if it diverts NGOs from pursuing the goals they originally set for themselves, or if it impairs their long-term organizational development. However, many NGOs were not set up to work on any particular issue in the first place, nor were the people who founded these organizations concerned about their long-term development. During field research I came across many such organizations, which fall into several categories, three of which are described below.

The first category consists of NGOs set up by academics in state research institutes or state-owned universities. These academics use the NGOs to take on consultancy work. One researcher told me that the NGO he was involved in afforded him more freedom to undertake projects that were unrelated to the area of research he was paid to carry out in the government research institute. If he accepted such projects through the institute, it would appear that he was not attending to his proper duties. The NGO solved the problem for him.[51] Another advantage of registering an NGO for academics is that it makes it easier for them to publish their work. NGOs allow them to raise money to pay publishers, so that their papers, which otherwise will never see print, can be published. According to a member of a society of traditional Chinese philosophy, the main attraction of the society to its members lay in the fact that it had been able to attract donations from some Taiwanese businessmen, which had been used to publish several edited volumes by the members.[52] NGOs can also serve the purpose of giving government research institutes access to funds that are intended only for NGOs. Some donor-funded projects earmark some of the funds for NGO activities. In such cases, government research institutes can submit proposals in the name of the NGOs they have created, although in fact it is the institutes and their employees who will implement the projects.[53]

NGOs in this first category are often just empty shells, as their members are all in full-time employment elsewhere. They use the NGO only to facilitate certain pursuits of theirs from time to time. The second category of NGOs

tend to have more substance – they are typically NGOs established by government agencies, which are not given a clear purpose by their creators. There are several reasons why this may be the case. One reason is that the agencies created these NGOs not because they envisaged any particular role for them, but because they were simply emulating agencies at higher levels. Whenever a government agency at a higher administrative level sets up a GONGO, usually the corresponding agencies at lower levels will follow suit and establish similar GONGOs of their own. Sometimes local GONGOs also anticipate their higher-level counterparts. For example, Associations of Foreign-Invested Enterprises had been set up in three coastal cities that were among the first cities in China to open up to foreign investment before a national association was formed (White *et al.* 1996). The first GONGOs, whether at national or local level, usually have specific functions to fulfil, but this may not be the case with some of the copycat ones created later.

When local government agencies set up NGOs not because they feel a real need for such organizations, but because they want (or, in some cases, are told) to emulate their superiors, it is not surprising that these NGOs lack a clear purpose. In fact, the agencies that created them may well have good reasons to prevent them from developing a distinct role for themselves, as demonstrated by Foster's study of officially organized NGOs in Yantai City:

> Several Yantai government agencies, emulating their superiors at the provincial and national levels, have set up associations for the explicit purpose of having them take over the function of promoting product quality and certifying compliance with quality standards. One bureau, for instance, created a Packaging Association and devolved to it responsibility for promoting and policing standards among Yantai manufacturers and shippers. However, bureau leaders had second thoughts when it became apparent that giving away one of the bureau's major functions could potentially affect its level of funding. The result was that the association was left dormant. The Quality Management Association, created by the Technology Supervision Bureau in response to a request from the provincial level, was basically banished to dormancy from the beginning. Its stated purpose, to promote and certify the quality of Yantai-made products, virtually duplicated the function of the bureau itself. Bureau leaders saw little reason to transfer any real responsibilities to the association. (Foster 2002: 57)

Another reason why some officially organized NGOs lack well defined goals and objectives is that government agencies created them mainly to place their supernumerary and retired personnel. Once this goal is achieved, the agencies are not very concerned whether or not these NGOs have a clear direction to follow. Often the staff of these NGOs are not concerned about the lack of clarity about their missions either, as their salaries or pensions are paid by the government agencies. Therefore, even if the NGO staff do nothing at all, it will not affect their personal incomes. The following case study illustrates why there is often little incentive

for such organizations to identify clear objectives for themselves and to focus on achieving these objectives.

This case study is of a children's NGO set up by a provincial Women's Federation. The NGO defines its mission in very vague terms. Its stated goal is 'sharing the government's burdens and bringing benefit to society'. The organization has changed its focus several times since its inception. Initially, it built libraries and other cultural facilities for children. Next, it moved into the area of health and nutrition. At the time of my study, its focus was on disabled children. It appears that the NGO takes on projects mainly in response to various external stimuli, rather than according to any clear plan of its own. One type of external stimulus is government policies and priorities. For example, the NGO's initial focus on building libraries directly followed a new provincial government policy, which decreed that children's libraries and reading rooms should be established across the province. Another type of external stimulus to which the NGO responds is business opportunities. For example, a nutritionist developed a new rice powder for infants and gave the formula to the NGO, which teamed up with a food factory to produce and market the rice powder. At one time the NGO had a puppeteer on its board of directors, who donated some of his puppet designs. Consequently the NGO joined forces with a toy factory to produce puppets. The third type of external stimulus is short-term social demand for particular services. For example, in the late 1980s there was an acute shortage of kindergartens in some parts of the province. In response, the NGO offered a consulting service for organizations or individuals who were interested in setting up kindergartens. It also organized training for kindergarten teachers.[54]

The NGO is staffed mostly by retired Women's Federation officials as well as retired officials from other relevant government agencies, such as the Education Commission. As these retired officials all receive government pensions, they do not draw any salary from the NGO. The Women's Federation provides the NGO with free office space. As a result, the NGO needs only a small overhead to keep it going. It raises money mainly through the influence and connections of the Women's Federation and its senior cadres. In its first years, the NGO was able to raise enough money to cover both its overhead and its project expenditures, but in the mid 1990s its income started to dwindle. The NGO sought and obtained from the government a small annual subsidy to cover its overheads. With its staff salaries and running costs thus taken care of, the NGO's survival is not contingent on how much money it raises, how many projects it implements, or how much impact its projects make. Its staff do not need to be concerned about the NGO's performance for other reasons, such as their own career advancement, as they are already retired. Therefore they appear to be very relaxed about the organization's lack of focus. As the NGO's deputy director said: 'We just do what we can. As long as we organize a few activities each year, we are all right.'[55] Whenever it finds some money, the NGO will do some work, otherwise it will lie dormant. Similarly, the staff go to the office if there is work to do, otherwise they stay at home. Under the circumstances, there appears to be no reason for the NGO to burden itself with any specific goals or targets.

The third category of NGOs that lack strategic planning includes some popular NGOs whose leaders are said to be more interested in personal gain than in the healthy development of their organizations. For example, the founder of one well known popular NGO in China has achieved national celebrity status since setting up the NGO in the mid-1990s. Although I did not interview the founder herself, many people I spoke to, including researchers who had studied her organization, other NGO practitioners and, above all, some staff members of her organization, all agreed that the NGO had a serious problem with regard to strategic management. As a key member of the NGO told me, the reason the NGO had conducted its work in a haphazard manner was because the leader was more interested in achieving fame than doing concrete work. Therefore she was constantly launching new projects and giving interviews to the media about these new projects so that she could stay in the spotlight, but she did not want to invest the necessary time and effort in seeing the projects through. The priority of the NGO was determined primarily by the leader's judgement as to what kinds of project would attract attention at any given time. In the analysis of this member of the NGO, unless the motivation of its leader was changed, the strategic management problem with the NGO could never be solved.[56]

Bad financial management

A Chinese NGO researcher delivered a paper at a conference in which he criticized some popular NGOs for refusing to publish their accounts, and called for tighter financial supervision of NGOs. Afterwards he was 'beleaguered' by the popular NGOs which were present. The NGOs pointed out that on the one hand, the Chinese government did not provide them with any funding; on the other hand, while foreign donors would give them money to implement projects, they would not fund their administrative expenses. The NGOs argued that they had to find money somewhere to survive. Therefore they had no choice but to use some of the project funding to cover their administrative costs. As this breached the terms under which project funding was provided by donors, they had to engage in creative accounting to cover this up, hence their reluctance to subject their accounts to public scrutiny.[57]

This anecdote highlights the fact that the chaotic financial affairs of many Chinese NGOs results not from their lack of accounting skills, but from their deliberate decision to muddle up their books. The popular NGOs that protested against the researcher's recommendations of tighter financial control understood that publishing financial statements was good for their image, and that it was wrong to divert project funds to administrative budgets, but they failed to do what was both right and good for their public image. In the case of these particular NGOs, it is possible that they engaged in improper financial practices for the benefit of the organizations, rather than individuals within them. Given the difficult funding situation they faced, such practices allowed the NGOs to survive so that they could continue to do good things. However, my field research suggests that NGOs frequently abandon financial discipline not in order to keep the organizations alive,

but in order to benefit individual members. I came across many such cases during my research. The following are just a few examples.

One NGO manager I knew admitted that she was guilty of petty corruption by using the NGO's funds for her personal consumption. The things she had paid for with the NGO's money included books and magazines for herself, personal telephone calls, and occasional meals with her friends. This was facilitated by the fact that she alone controlled the NGO's funds. There was no monitoring by other members of the organization. This manager was also the member of another NGO, the general secretary of which had similarly used the NGO to benefit herself and her family. For example, a sponsor gave the NGO some money to hire a new staff member. The general secretary hired somebody, but paid him less than the amount provided by the sponsor and pocketed the difference herself. Her manoeuvre was made easier by the fact that the NGO's accountant was a relative of hers, who she had hired when he was out of a job.[58]

One NGO director has used the money donated to her organization by the public to set up several small businesses registered under her name. In one instance, she entrusted the management of a business to a friend who had been discharged from his previous employment for corruption. Unfortunately, according to the director, the businesses all failed after losing some of the initial investment. Nevertheless, she still hoped to launch new business ventures in the future. This director managed several projects in different locations. In one location, the project's finances were under rigorous supervision by the NGO's sponsoring agency. The agency refused to reimburse the director for some of the expenses she tried to claim, so she simply took the receipts to another project at a different location, where she had full control over financial matters, and was reimbursed there. Her expenses incurred at the first location, which were paid out of the budget of the project at the second location, included, among other things, the salary of a housekeeper who worked for her at the first location.[59]

In 2001, Hu Manli, the founder of two orphanages mentioned above, was sued by a US-based charity that had donated nearly three million yuan to her organization, the UMCA in Lijiang. The plaintiff charged that the UMCA had not used the donated funds according to its wishes, and had produced false accounts. Shortly afterwards, investigations by a newspaper uncovered considerable evidence of financial misconduct by Hu Manli. For example, in 1998 the US-based charity asked Hu Manli to purchase a batch of clothes and give them to victims of a flood in central China on its behalf. The clothes Hu Manli purchased were priced at 55 yuan a piece, but her report to the charity claimed that the clothes cost 150 yuan a piece. In published accounts, Hu Manli quoted the figure of 250 yuan as the monthly cost of meals for each orphan at the boarding school in Lijiang, but the actual expenditure on meals was only 70 yuan per person per month (*Southern Weekend*, 13 December 2001). The newspapers' investigations also discovered that Hu Manli had purchased an expensive house in Lijiang and had sent her daughter to study in New Zealand. When questioned, she was unable to give convincing explanations as to how she could afford these things (*Southern Weekend*, 8 February 2002).

My examples so far all involve popular NGOs whose managers appear to have engaged in various forms of corruption. In such organizations, the chaotic state of their financial affairs is not surprising. Again, this is not owing to any lack of knowledge or skills on the part of the NGOs and their staff. It is bad financial management by design. Despite the misbehaviour of their managers, these NGOs have at least provided some concrete services to their members or vulnerable social groups. Alongside these organizations, there are also some NGOs that are simply profit-making entities disguised as non-profit organizations. Those who created these organizations never intended to provide any service for any constituency. This fact is well known to government officials responsible for exercising oversight over the NGO sector. For example, the POMB official I interviewed said: 'Many officially organized NGOs at local levels are simply tools for local government agencies to create slush funds (*xiao jinku*). NGOs allow these agencies to set up bank accounts where they can put their off-the-book incomes. They use the NGOs to make money, through such methods as extorting donations from enterprises and collecting illegal fees.'[60] More seriously, another POMB official wrote: 'Some profit-oriented social organizations set up businesses that are active in the domain of the circulation [of money and commodities]. They have disturbed the normal economic order of the country' (Chen 1992: 22).

A book by Kellee Tsai on informal finance in China contains an apt example of profit-making 'NGOs' with the potential seriously to disturb the normal economic order. Mr Zhang, a former employee of the People's Bank of China, opened an unsanctioned private bank in Henan Province which was disguised as a magazine reading club. Anybody could join the club, called the Henan Reading Here and Reading There Society (*Henansheng dulai duqu dushuhui*), by making a monthly deposit of five yuan, which was refundable at the end of one year with a bonus. Mr Zhang used these deposits to trade futures, and was able to attract many members by offering a higher rate of return on deposits than state banks. The operation had apparently been very successful. As Tsai writes:

> When I visited the reading club in the summer of 1996, half of the first floor had wide reading tables flanked by displays of magazines around the world. Large red banners hung from the ceiling with politico-inspirational slogans such as 'Serving the People by Fostering Literacy' and 'Promote Spiritual Civilization by Investing in Our Reading Club'. In the other half of the room were rows of bank teller-type windows where people were lined up to make deposits… . Mr Zhang explained that members now had the option of investing in increments of 10, 20, and even 1,000 yuan; 1,000-yuan investors were generally rewarded with a 15 to 20 per cent 'reading bonus' (*jiangdujin*)… . When asked if he had ever experienced official interference in his unusual operation, Mr Zhang said, 'Of course not. My business promotes the spiritual civilization of the country, so the highest officials of the Henan provincial government support it… . In fact, a number of cadres are members of the club as well.'

> … the reading club earns a net income of approximately 100 million yuan per month and has an aggregate of 200 million yuan in debt outstanding with all the state banks except for the Bank of China and the China Construction Bank. (Tsai 2002: 193–94)

Although the Henan Reading Here and Reading There Society is an extreme case, with organizations registered as NGOs whose real motive is profit, one can hardly expect to find clean and honest accounting systems that reflect the organizations' true financial situation. The existence of large numbers of such organizations serves as a good reminder that the financial management of Chinese NGOs can be a very complicated issue. While the problem regarding the lack of financial discipline among NGOs needs to be tackled, capacity-building programmes may not the right answer.

The rationality of the 'irrational' management of NGOs

This section continues the discussion of the 'bad management' of Chinese NGOs. While the previous section focused on bad management by design, the emphasis of this section is bad management by necessity. My first example concerns the irrational governance structure of NGOs. It has been a long-standing criticism of Chinese NGOs that their governing boards and top positions are often occupied by incumbent and retired government officials. The criticism of this state of affairs has come from all sides. NGO researchers and donors charge that this undermines the autonomy of NGOs, prevents them from developing independent identities and goals, and diminishes their usefulness as civil society actors. The government is concerned about this situation as well, not least because such arrangements have often created openings for corruption. Almost everybody agrees that incumbent and retired officials are often unable to devote sufficient time and energy to NGO work. Many of them are too used to a bureaucratic style of administration to be able to adjust to the different requirements of NGO management. Consequently, NGOs dominated by incumbent and retired officials are often characterized by undemocratic, irrational management and decision-making.[61]

To tackle the problem, the central government has issued at least two specific directives asking incumbent officials to resign from leadership positions in NGOs (General Office of the State Council 1994; General Office of the Communist Party Central Committee and General Office of the State Council 1998). With regard to retired officials, in 1997, at the MCA's recommendation, the central government laid down the rule that key management and decision-making positions in NGOs should not be held by people aged over 70 (General Office of the State Council 1997). Although the central government appears to be very serious about barring officials from running NGOs, it has nevertheless allowed that there may be 'special circumstances in which it is indeed necessary [for incumbent officials] to hold concurrently leadership positions in social organizations' (General Office of the Communist Party Central Committee and General Office of the State Council 1998). Under these circumstances, incumbent officials can still

be granted permission to serve in NGOs. Similarly, although as a general rule people over 70 are not allowed to lead NGOs, special permission can always be granted in individual cases.[62]

Government directives did not specify why there might be special circumstances that called for flexible application of the rules. While there are probably multiple reasons for this, one important reason is that many NGOs would be unable to function without making use of the power and influence of incumbent and retired officials, who are best placed to wield their power and influence on behalf of the NGOs if they hold formal positions in the NGOs. The dependence of Chinese NGOs on official backing has been discussed in detail in Chapter 4, and is not elaborated further here. Suffice it to say that although the appointment or election of officials to top positions in NGOs is often initiated by government agencies and the officials themselves, there are also many cases when it is pushed by NGOs. The book by White, Howell and Shang contains several examples of NGOs asking officials to assume leading positions in them. One such example has been mentioned in Chapter 2. In another example, a leader of the Chinese Association of Certified Public Accountants said that 'his association invited senior officials retiring from the Ministry of Finance to take on leadership or honorary roles in the association because "young people want these retired people to do this since it can raise the social status of the accountancy profession as well as the Association".' As White, Howell and Shang note: 'This case mirrors the practice common to most associations of seeking to enhance their prestige by enlisting the participation of influential serving or former officials. These officials bring power with them as well as prestige and thus enhance an association's ability to influence the state on behalf of itself and its members' (White *et al*. 1996: 122).

The study of White, Howell and Shang covered only business and professional associations. My own research shows that the practice of offering leading positions to officials is also common to other types of NGO. One popular social service NGO I studied had only eight full-time staff, but it had over 100 board members and over 50 deputy chairmen of the board, most of whom were incumbent and retired officials. The NGO's director complained that she had made a big mistake by inviting so many officials to join her organization, which had caused many management problems. For instance, with over 100 board members it had been extremely difficult to achieve an attendance rate of 50 per cent or above at board meetings. As a result, often no decision could be made. The officials were steeped in their bureaucratic mentality, so they often blocked innovations proposed by the director. Their philosophy was 'the less trouble the better'. Retired officials, in particular, had given the director a great deal of headaches. She charged that they 'cannot raise any money, cannot do any work, and cannot even walk on their own legs', but they liked to issue orders, and she even had to write their speeches for them. The director had concluded that the retired officials were not there to make any contribution, but only to relive the experience of ordering other people about.[63]

Despite her grievance against officials, the director nevertheless continued to attach great importance to her organization's official links, and indeed continued

to invite new officials to join her organization. She admitted that, although some of the retired officials had been a nuisance, their support at the beginning was vital. Without their backing she might not have been able to set up the NGO in the first place. In the end, as the director said: 'If the government and its officials do not stand by you, then anybody can push you around.'[64] Therefore she knew that having a pack of difficult-to-please officials sitting on the board of her NGO was a necessary compromise.

Another popular NGO I studied faced a similar situation. Its governing board comprised officials from a number of agencies, all of which were important to the NGO. The NGO's manager complained that some of the officials treated the NGO as if it were part of the government bureaucracy. For instance, they asked the manager to submit written requests for permission before making any decision, even if only minor issues were involved. Furthermore, the requests must be written in a particular bureaucratic format, phrased as if the NGO were asking the officials for instructions. After they had given their permission, in typical bureaucratic fashion, these officials often told the manager to take the request to other agencies and officials for further approval, even though it was not really necessary. Such requirements from the officials had added to the administrative burden of the NGO, wasted the time and energy of its staff, and reduced its efficiency. The NGO also faced another problem caused by the officials on its governing board. Two officials from different agencies both thought that his/her agency had given the NGO the most support, consequently each wanted his/her agency to receive more credit for the NGO's achievements. In order not to offend either of them, the manager had had to resort to such measures as preparing different reports for the two officials. Even on occasions when she could show them the same report, she still needed to be careful as to who she gave the report to first. Needless to say, attending to such delicate matters took time and prevented the manager from concentrating on real issues. Despite all the hassles, the manager acknowledged that having officials from all the relevant government agencies on the NGO's governing board had been 'very useful'. While they had given her some trouble, their support had probably saved her even more.[65]

In addition to filling their leadership posts with government officials, Chinese NGOs are also frequently criticized for practising nepotism. Many NGO managers have the habit of hiring their relatives and trusted friends. This has led to the accusation that they run the NGOs like 'family businesses'. There is no doubt that such practice is often the result of managers treating an NGO as their private property and using it to benefit themselves. However, some NGO managers I interviewed argue that they are justified in entrusting important jobs to friends or relatives. Evidence suggests that sometimes there is indeed an element of necessity in such practice. For example, one NGO manager told me that she had hired only the children of her friends as cashiers, because if the cashiers lost or stole any money, she could always ask their parents to make up the loss. She could not set her mind at ease if the NGO's money was handled by total strangers. One cashier she employed secretly lent the NGO's money to her friends. She also stole some money when she left the NGO. By the time her misdeeds were discovered, over

40,000 yuan had been lost. Because the manager knew the parents of this cashier, she was able to make them compensate the NGO for its loss.[66]

This manager's reason for hiring friends' children might sound unconvincing in countries with an effective legal system. However, it does make sense if one considers that, at present, the judicial system in China is often unable to investigate and prosecute small-scale economic crimes like the one committed by the cashier. As a former board member of a now defunct Beijing NGO told me, after she discovered that the NGO's manager had embezzled some of the NGO's funds, she reported the crime to a district Public Security Bureau. The captain of the economic crime investigation team heard her complaint, then told her they did not have enough resources to investigate cases involving small amounts of money. The captain told my informant that they had many cases involving huge sums of money on their hands. They did not even have enough manpower and funds to investigate those cases. The captain, who seemed to my informant to be genuinely snowed under, said to her: 'I am telling you the truth even if it may cost me my job. I am really sorry, but we will not be of help to you.'[67]

When NGOs cannot depend on formal institutions for protection, they have no choice but to invoke the help of informal institutions, such as personal networks and relationships of trust, to compensate for the inadequacy of formal institutions. While hiring friends and relatives is clearly bad management practice, and has a particularly pernicious long-term effect on NGOs, it may be a necessary evil under certain circumstances. It is similar to another phenomenon I observed during field work – that many NGOs tend to hire cheap labour such as rural migrants and laid-off workers who are unskilled and inexperienced. The reason is simple: NGOs cannot offer good salaries and benefits for their staff, so they are unable to attract skilled people. Therefore what we see in such cases is perhaps best described as 'bad management by necessity'.

Conclusion

In the previous chapter, I suggested that there are similarities between Chinese NGOs and private businesses in their relationship with the state. In discussing NGO capacity and skills, perhaps we can also draw some lessons from the private sector. Corporate scandals have always attracted significant public attention to the issue of corporate governance, but nobody has suggested that bad corporate governance is caused by the lack of business administration skills, which can be addressed by more MBA programmes. Rather, the general prescription for corporate maladies is new governance rules and tighter regulation and supervision. With regard to NGO governance, my study suggests that many existing problems with Chinese NGOs are not caused by their lack of skills either. It seems that these problems need similar prescriptions to those offered to the private sector, such as better regulation and supervision.

International donors have been keen to fund capacity-building programmes for Chinese NGOs, but such programmes are unlikely to be very effective if they fail to understand the root causes of the poor performance of Chinese NGOs, and if

they focus only on NGOs themselves without trying to improve their institutional environment. Above all, NGOs need skills that are suited to their specific environment. In this chapter, I have argued that many Chinese NGOs already possess sophisticated skills which are well suited to the Chinese context, but which have not received enough attention from NGO researchers and analysts. Obviously some NGOs have better skills than others. The examples in this chapter are taken from the more skilled NGOs. During my field work, I also came across less skilled organizations, which were unable to mobilize sufficient support from either the state or other sources, such as the Chinese public or foreign donors. These NGOs are often unable to survive very long, let alone to achieve organizational growth.

The skills and techniques that have enabled some Chinese NGOs to thrive, especially the techniques used by NGOs to establish advantageous relationships with the state and mobilize societal support, have direct implications for NGOs' performance in both service delivery and advocacy. No analysis of Chinese NGOs can be complete without some discussion of their performance, and this issue is addressed in the next chapter.

6 The limitations of Chinese NGOs

As noted in Chapter 1, this book was originally planned as a study of the performance of social welfare NGOs in China. However, after starting the field work, I quickly realized that not just social welfare NGOs, but the Chinese NGO sector as a whole, were still at such an early stage of development that the majority were unlikely to measure up to even minimal performance standards. However, the emergence of even the worst-performing NGOs often represents progress, as they are providing services where none existed before. Therefore, rather than describing how badly youthful Chinese NGOs are performing, a more interesting and meaningful task for researchers is to find out what factors may have contributed to their poor performance. In this chapter I attempt to answer this question. Whereas one can easily identify a large number of factors which directly and indirectly affect the performance of Chinese NGOs, I focus here on four of the most salient factors.

State policy and capacity

Wary of the potential threat to its authority and rule posed by organizations such as the *Falun Gong*, the Chinese government has adopted a policy of forestalling the formation of NGOs which might challenge it politically, weaken its control over society, or constrict its autonomy in formulating economic and social policies. For example, a set of internal guidelines followed by Civil Affairs departments in considering applications to establish NGOs stipulate that no NGO set up by 'specific social groups', such as migrant labourers, laid-off workers or ex-servicemen, should be allowed to exist.[1] Apparently, the government fears that these often disgruntled social groups would cause it trouble once they are able to organize themselves. In a collection of Ministry of Civil Affairs (MCA) documents, several reports by provincial governments highlighted their achievements in thwarting attempts by members of these social groups to form their own organizations. A report from Shanghai mentioned that some rural migrants employed at a Shanghai factory had formed a union, which sent a letter of petition to higher authorities demanding reduced working hours and increased pay, and threatened further action if their demands were ignored. The report said that the local government successfully persuaded the union to disband. A report from Shandong Province mentioned

that several peasants had tried to organize a peasants' association with the stated purpose of resisting unreasonable levies by the local government. This organization was swiftly banned by the Civil Affairs department (Popular Organization Management Bureau 2000).

Not only does the government proscribe NGOs that are liable to make difficult demands on it or challenge its policies, it also wants to prevent *any* NGO from growing too big and powerful by developing an extended organizational network. This is demonstrated by two clauses in the current government regulations for NGO management and registration. One clause prohibits NGOs from establishing regional branches; the other bars any individual from serving as the legal representative of more than one NGO. The first clause means that national NGOs cannot set up any branch outside Beijing, while provincial and county-level NGOs must confine their organizations to the provincial capital city or the county seat. NGOs carrying out the same activities can exist simultaneously at all the different administrative levels, but they must remain separate organizations, as in the case of the China Youth Development Foundation (CYDF) and provincial Youth Development Foundations (YDFs). As mentioned in previous chapters, because they are separate organizations, the CYDF cannot issue commands to provincial YDFs, even though it tried to gain some control over the operation of the latter. As a result, the CYDF has had to rely on the CYL's nationwide organizational network to implement Project Hope.

The clause concerning NGOs' legal representative also has the effect of restricting the organizational expansion of NGOs. 'Legal representative' is the role usually assumed by the leader of an NGO. After successfully setting up and running a popular NGO that provides innovative social services, several founders I interviewed have tried to establish similar organizations in other cities, in order to make the services available to more people and to spread their ideas. However, because of the 'no regional branch' rule, any extension of the original organization in other locations must be established as an independent NGO. Furthermore, the founders cannot be the legal representative (the leader) of both the original and the new organization. In other words, the services they set up in different places cannot be run as a unified operation under a single leadership, which makes the scaling-up of services more difficult.

The government's regulation of the NGO sector has also been guided by a professed desire to improve efficiency and eliminate unproductive competition between NGOs. While these appear to be sensible objectives, the means whereby the government tries to achieve them – one of the most heavily criticized clauses in the current NGO regulations – has often amounted to further cramping of NGOs' space. This clause states that the government will not allow any new NGO to be established if, in the same administrative area, there is already an NGO doing similar work, therefore there is no need for new NGOs. Because of this stipulation, not only have many popular NGOs been denied approval for establishment, but some existing ones have also been forced either to disband or to be incorporated into officially organized NGOs. For example, as the Disabled Persons' Federation (DPF), a semi-official organization, already has local chapters in every city,

popular NGOs formed by disabled people have not been allowed to register, even though many disabled people and their relatives are dissatisfied with the DPF and feel that it has done a poor job in representing their interests. In one city, a popular membership NGO for disabled youth had existed alongside a similar NGO that was affiliated with the DPF for over 10 years, but after the central government ordered an overhaul of the NGO sector in 1998, the local Civil Affairs department refused to renew the popular NGO's registration and forced it to merge with the organization affiliated with the DPF. As a result, the popular NGO's ability to promote the interests of its members was constrained.[2]

The state's tight regulation of NGOs is just one side of the story. As many examples cited in the previous chapters demonstrate, the state's desire to keep effective control over NGOs has not been matched by its capacity to enforce its policies. Researchers have observed that, in this particular arena, the familiar problem of the central government in Beijing experiencing increasing difficulty in securing compliance with its policies from local governments has once again manifested itself. As Saich (2000: 140) wrote, '[L]ocal governments will approve social organizations or other non-state bodies that contribute to the local economy and well-being. This is irrespective of formal regulatory requirements.' In fact, to pose the problem in terms of the centre versus the localities simplifies the situation. The central government is not dealing with recalcitrant local governments as single entities on this issue. Rather, the challenge it faces is how to discipline myriad individual government agencies, from the national all the way down to the lowest administrative level, which often put their narrow departmental interests before the overall strategic interest of the state. As an MCA official said in an interview, many government units simply use the cover of NGOs to create agency slush funds and to make money through charging illegal fees or extorting donations from enterprises. Apparently, these agencies have every incentive to circumvent central government policies in order to protect their NGOs.[3]

On the one hand, individual government units often fail to discipline the NGOs under their sponsorship; and on the other hand, Civil Affairs, the agency charged with policing NGO activities, is seriously constrained in its ability to perform this duty. The MCA's Popular Organization Management Bureau (POMB) has only a few dozen staff who, in addition to developing and coordinating NGO-related policies, drafting strategic plans for the sector, investigating and prosecuting illegal NGO activities and providing guidance and advice to local Civil Affair departments, are also responsible for registering and conducting annual reviews of all national and cross-regional NGOs and supervising foreign NGOs operating in China.[4] As one Chinese researcher commented, POMB staff did not even have time to read the annual reports of all the NGOs under their supervision, let alone effectively monitor and review their activities.[5] The situation at provincial and lower levels is similar or even worse. Many provincial Civil Affairs Bureaux have only about six to eight staff working on NGO administration, who must oversee thousands of NGOs. Below the provincial level, some Civil Affairs Bureaux have such limited human resources that they cannot dedicate a single full-time staff member to NGO administration work. Therefore, as many Civil Affairs officials

openly admitted, and indeed complained, they are woefully ill-equipped for the NGO management duty which the state has laid on them.[6]

Given its limited capacity, the state appears to have given priority to monitoring and controlling NGOs which it distrusts on political and ideological grounds, while worrying less about NGOs that are guilty only of economic misdeeds. The combined effect of the state's NGO policy and its limited policy-enforcement capacity is that certain types of NGO, particularly those that are likely to perform the political functions often ascribed to civil society organizations, such as challenging state policies, championing the rights of disadvantaged social groups and promoting pluralism and diversity, have limited space to pursue their activities. Meanwhile, many NGOs that engage in economic corruption and malfeasance – conduct that constitutes the antithesis of civil society virtues – have been able to continue their operations unhindered.

The resultant NGO sector is characterized by the flourishing of NGOs that are well connected to, or even embedded in, the state administrative system, many of which are officially organized NGOs, and the underdevelopment of NGOs that lack powerful bureaucratic patrons, which are mostly small popular NGOs. The privileged position of the former type of NGO, however, has often been used to serve illegitimate private interests, such as those of government agencies and their employees, rather than broad public interests. Meanwhile, popular NGOs that represent marginal interests and work for the welfare of underprivileged people tend to face many obstacles in their path, which have reduced their effectiveness.

The healthy development of the NGO sector has been hampered further by the government's inclination to keep stories of NGO corruption and mismanagement from the public. In some cases, when high-profile NGOs were involved, the government has stepped in to prevent the media from carrying negative reports about those NGOs. On the issue of NGO malpractice, the state not only suffers from insufficient rule-enforcement capacity, but is also torn by conflicting goals. On the one hand, it genuinely wishes to put a check on various shady activities of NGOs, as even when such activities benefit individual government agencies, they harm the interest of both society and the government as a whole. On the other hand, the state also wishes to encourage NGOs to play more active roles in areas from which it has retreated in the process of reform, or areas where it believes NGOs can make unique contributions. For example, while in the planned economy era, the state alone paid for the social welfare system in urban areas, now it wishes to mobilize societal inputs into the system to alleviate its financial burden. Following the success of the CYDF in raising money from the general public to support basic education in poor rural regions, many similar organizations have been set up by various state agencies that sough to imitate the CYDF. Officially organized NGOs pre-dating the CYDF, which used to survive on government allocations, also started to expand their funding bases by soliciting voluntary donations from businesses and private citizens.

To succeed in their fundraising efforts, these organizations must gain the trust of the public in their honesty and competence. Once an organization becomes caught up in scandals, its ability to mobilize public donations would be severely

damaged. If many NGOs become caught up in scandals, then the public might lose confidence in all of them, and stop giving money even to those that have not been implicated in any scandal. If the philanthropic impulse[7] of the public thus dries up, it could upset the state's long-term plan of mobilizing societal resources to complement the government's social spending. Therefore it is not surprising that the government has tried to hush up cases involving the misuse or mismanagement of donated funds by well known NGOs. Several years ago, some serious financial problems were discovered at a big-name national foundation, which resulted in a new director from outside the foundation being appointed to sort out the mess. When I asked a POMB official about it, however, he denied that anything had gone wrong at the foundation. During my interview with him, this official spoke freely about the frequent occurrence of NGOs 'swindling people out of their money' or misusing donated funds, but when I asked for some specific examples, he refused to name any organization. I explained to him that, unlike other researchers who focused on how the government restricted the development of autonomous NGOs, I would like to know more about the bad behaviour of NGOs that might have justified some of the stringent government policies. Instead of appreciating my sympathy for the government's position, this official was visibly worried and almost pleaded with me not to dwell too much on the problems of NGOs. I was told that 'the positive role of NGOs must be fully affirmed.'[8]

Other MCA officials I approached were equally evasive about cases of NGO malpractice. One of the POMB's responsibilities is to 'investigate and prosecute' the illegal activities of NGOs. I once interviewed a junior POMB staffer who had on his desk some summaries of NGO corruption cases which the POMB had dealt with. I asked if he could pick just one of those cases – a relatively minor offence involving a little-known provincial NGO, if he liked – and either show me the summary or tell me about it. Although this staffer thought the information I requested was harmless, out of caution he decided to go and check with his superiors first. Returning from their office five minutes later, he told me that they had said no.

It was in this climate of secrecy surrounding NGO malfeasance that stories of the CYDF's financial mismanagement were suppressed by the government. In February and March 2002, a Hong Kong newspaper carried several reports that accused the CYDF of illegally investing over 100 million yuan of Project Hope funds in real estate projects, stocks and high-risk business ventures, resulting in heavy losses (*Mingpao*, 28 February 2002; 1 March 2002). The CYDF immediately issued a statement refuting the charges. Following this, a mainland Chinese newspaper, *Southern Weekend*, carried out its own investigation into the CYDF's finances. Based on the information they gathered, *Southern Weekend* journalists wrote a lengthy report that made even more serious and detailed allegations against the CYDF. The report cited a large number of CYDF internal documents as well as the testimonies of former CYDF accountants. When the newspaper was at press, however, a phone call from the Party's Publicity Department in Beijing ordered the removal of the article. By then 300,000 copies of the newspaper had already been printed, so they were sealed up (*The Epoch Times*, 2 May 2002).

Some employees of the newspaper, however, put the article on the Internet, so eventually many people did see it.[9]

This was not the first time the government had tried to suppress bad news about the CYDF. Interestingly, when I interviewed Xu Yongguang, the then CYDF General Secretary, before the story of CYDF's financial problems broke in 2002, he also complained about the government's 'overprotection' of the CYDF and Project Hope. During the implementation of Project Hope, some problems had occurred regarding the selection of students for financial assistance. In one instance, the head teacher of a school in Shaanxi province had given Project Hope aid to the children of some local cadres instead of distributing the money strictly according to the recipients' financial needs. After it was discovered, the head teacher and the cadres were punished. The CYDF thought this case was rather typical, so it asked a prime-time television news programme, *Jiaodian Fangtan*, to do a report. As Xu Yongguang explained, they intended the exposure of the case by *Jiaodian Fangtan* to have a deterrent effect on grassroots cadres and organizations responsible for implementing Project Hope, because 'it is not good if they do not face any pressure.' However, *Jiaodian Fangtan* said they could not make such a programme, because the Party's Publicity Department had warned media units not to produce any negative report about Project Hope. Xu Yongguang wisely saw that this kind of protection was not really helpful to Project Hope. In his words, with too much protection like this, Project Hope might 'get out of control.'[10] Later revelations of the CYDF's financial problems seem to suggest that Xu Yongguang's concern was well founded.

It is not just models and showcases promoted by the central government, such as the CYDF, that have been sheltered from public scrutiny and criticism. Small popular NGOs at local level can also receive this kind of official protection, on account of their complex ties and relations with local government agencies and officials. For example, as discussed in Chapter 5, local government agencies often fear the collapse of NGOs such as private welfare institutions, as they may have to take over the NGOs' charges if this happens. Therefore it is in their interest to help sustain these NGOs, even if they are poorly managed and their services are below standard. To sustain such NGOs, it is naturally important that unsavoury facts about their failings are hidden from the public. Often there are other reasons for local governments to smooth over the problems of NGOs under their jurisdiction. As mentioned earlier, even popular NGOs in China are heavily dependent on the state and have numerous formal and informal ties with the state bureaucracy. When an NGO's patrons and friends in the government have openly helped and supported them, the NGO's problems would make them look bad too. Even more seriously, sometimes these patrons and friends may have had such close relationships with an NGO that they are implicated in the NGO's dubious deeds. Therefore protecting the NGO is also protecting themselves.

One can see all these factors at work in the following example involving a seriously mismanaged non-governmental residential home for disabled people which eventually went bankrupt. This NGO's manager had an old friend who was a middle-ranking cadre in a municipal Disabled Persons' Federation (DPF).

With his help, the NGO received the DPF's sponsorship which allowed it to register. The DPF cadre sat on the NGO's five-member board of directors. Through his intervention, the NGO received funding from the DPF several times. The DPF also helped this NGO in other ways. For example, it had used its connection to persuade a major national newspaper to carry a half-page advertisement for the NGO free of charge. The manager had taken liberties with the NGO's funds from the very beginning. At one time she put 270,000 yuan of the NGO's fund into her personal account and invested it in the stock market. One of the NGO's board members had suspected foul play and asked for an audit. Instead of supporting this board member's action, the DPF cadre helped the manager cover up the problems, even usurping the name of a DPF subcommittee to sign a false IOU for her, so that she could claim that 25,000 yuan belonging to the NGO, which she had misappropriated, was lent to the DPF subcommittee. As the NGO's deputy manager later charged, there were indications that the DPF cadre had colluded with the manager to steal the NGO's funds, for example by submitting false expense claims. That was why he spared no effort in protecting the manager, which allowed her to continue her corrupt practices.

While the manager was playing havoc with the NGO's funds, the organization, as one of the first private welfare institutions for disabled people in the city and one sponsored by the municipal DPF, continued to receive a lot of positive media coverage. The DPF apparently used the NGO as a showcase of its endeavour to promote the 'socialization of social welfare,' a national government policy aimed at encouraging private investment and NGO participation in social welfare provision. I personally witnessed a visit to this NGO by a deputy mayor of the city, which was arranged by the DPF.[11] The purpose of the visit was for the deputy mayor to see the latest service programmes for disabled people and the progress in socializing social welfare that had been made in the city.

When the NGO's board member who suspected wrongdoing eventually gathered some evidence, she formally reported the NGO manager to the DPF and requested an investigation. Although the DPF did conduct an investigation that acknowledged various problems, the board member felt that it was intent on 'reducing major issues to minor ones and minor ones to nothing.' The DPF cadre was merely criticized internally and transferred to another department. A senior official of the DPF told the board member that a shake-up at the NGO would disrupt its services, which would only hurt its clients. Therefore, in the interest of the clients, the DPF did not want the affair turned into a big scandal, but preferred that the NGO muddle on. One can speculate that one of the reasons the DPF feared the disruption of the NGO's services may well be that it was under pressure to take over the NGO's clients. The NGO had committed itself to providing lifelong care for some of the disabled people in residence, and had received lump-sum payments from their families for this promised service. As the NGO's sponsor, the DPF must make arrangements for those disabled clients if the NGO was unable to fulfil its obligations any more. Indeed, this was what happened when the NGO eventually went bankrupt.

After the NGO's debacle, a newspaper sponsored by the MCA reported the story. The editorial following the story suggested that the DPF should bear most

of the blame, as it failed to carry out effective supervision of the NGO, failed to rectify its problems at an early stage, and allowed the NGO to pass various evaluations even when its finances were already in chaos, which resulted in more families being deceived into entrusting their disabled members and money to the NGO. In response, the DPF complained to the MCA, with which it had a close working relationship. Subsequently, the editor of the newspaper was summoned to the MCA and scolded for 'setting fire to the house of our own people'. This incident further underscores the difficulties the media may face in monitoring and exposing the problems of NGOs.[12]

NGO dependence on the state

Because they know that Chinese NGOs cannot operate without drawing various forms of vital support from the state, many NGO practitioners and researchers in China have argued that the dependent relationship between Chinese NGOs and the state is not a curse, but a blessing. During an NGO conference in Beijing, one participant considered Chinese NGOs' lack of independence a serious potential problem, and likened them to 'mansions built on sand.' He was immediately challenged by another participant, who asked: 'Is it necessarily a bad thing to be standing on sand? Why must we emulate NGOs in other countries?'[13] A similar comment was made by a different person at another forum: 'Developing countries and developed countries have very different situations. While foreigners consider certain characteristics of our NGOs to be weak points, we consider them our strong points.'[14] Some foreign observers appear to sympathize with this point of view. For example, Saich criticized analysts who emphasized the Chinese state's top-down control of NGOs for failing to appreciate the benefits NGOs can derive from such a relationship:

> The discussion of social organizations reveals that they can have considerable impact on the policy-making process, indeed more than if they were to try to create an organization with complete operational autonomy from the party-state… . Those with close government links often play a more direct role in policy formulation than their counterparts in many other countries as they do not have to compete in social space with other NGOs for dominance and access to the government's ear on relevant policy issues. (Saich 2000: 139)

There is no doubt that Chinese NGOs derive all sorts of benefits from their dependent relationship with the state. This point has been argued at length in Chapter 4. However, it would be a mistake to assume that close government links give NGOs much influence on state policies and practices. NGOs may have a cosy relationship with the state, but they are not equal partners in this relationship. As the dependent party, NGOs' ability to impress their ideals on the government should not be exaggerated. Speaking at an international conference, Xu Yongguang cited 'government support' as the first condition that must be met before any NGO initiative could succeed in China. As he explained, this meant that NGOs could

only do two kinds of thing: first, those things which the government wanted to do but had not had a chance to do itself; second, those things which the government had not thought of doing, but if NGOs were to do them first it would not object (Xu 2001: 3). Xu Yongguang was repeating the same message as he had conveyed in an earlier interview, in which he also added: 'We must never do anything which the government would object to. If we insist on doing them, then there can only be one outcome, and that is failure' (Kang 1997: 387).

Xu Yongguang has neatly summarized the boundaries of legitimate NGO activism at the present time. This understanding of what they can do and what they mustn't do is widely shared among Chinese NGOs, and has informed their every action. To the extent that NGOs have some access to the government's ear, this is only because they have stayed within the limits of what the government does not disapprove. One might say that they can influence the government only where it is willing to be influenced, which hardly constitutes real influence. NGOs may be very comfortable with such an arrangement, but there is no question that their dependence on the state limits their usefulness as champions of interests and values that are different from those of the state.

Consider the example of a popular NGO active in the field of women's rights. It has collaborated with local radio and television stations to make programmes that educate women about their legal rights and the help and redress available when their rights are violated. The programmes proved extremely effective in raising the awareness of these issues, not just among women, but also in the local population at large. Despite the tremendous impact of the media, however, the NGO failed to fully harness its power in the service of its cause, because it was afraid of offending the government. The television programmes it produced featured typical cases in which women's rights had been trampled. The NGO was very circumspect in choosing the topics for these programmes. It covered stories such as extramarital affairs resulting in husbands abandoning their wives and children, but avoided others that would show the local authorities in a bad light. For example, a policeman and his colleagues beat up a woman after she had a fight with his girlfriend. The woman sought justice, but the local police force ignored her complaints. Although it tried to help the woman through its government connections, the NGO decided not to expose the case in the media, as it would antagonize the police department, whose goodwill the NGO needed. At another time, the NGO had intended to make a programme about a local women trafficker who had remained at large due to the inaction of the local Justice Bureau. For understandable reasons, the Justice Bureau objected to such a programme, so the NGO abandoned the plan. To the NGO, maintaining its good relationship with local authorities takes priority over bringing flagrant violations of women's rights to public attention, as without the support of the local authorities it would not be able to operate at all.[15]

This NGO was also prevented from making full use of the media to fulfil its advocacy and educational functions by its desire to keep a low profile. The NGO's director was a typical 'amphibious person' who had remained a full-time government employee while running the organization. The leaders of the agency where

she worked had been very supportive of the NGO's activities. For this reason, they considered that the agency and themselves deserved credit for the NGO's good work. The director was concerned that if she appeared too frequently in the media, the leaders of the agency would resent the publicity she received and withdraw their support. Consequently, she turned down many interviews. The local television station had suggested that the director host the aforementioned programmes to provide commentaries, but she refused. Her cautious approach had ensured that her work did not arouse the jealousy of her bosses in the government agency, but it also undermined the NGO's ability to disseminate information, encourage public debate and reach out to women who needed help. Although at the time of my research, the NGO had been operating for over two years, it seemed that most local residents were still not aware of its existence. All the people I interviewed, including volunteers who worked for the NGO and women who had sought help there, heard of it from friends or were referred to it by the local Women's Federation. None of them had learnt of its work through the media or any information materials distributed by the NGO.[16]

NGOs' dependency on the state not only constrains their actions, but also affects their attitudes towards the vulnerable and disadvantaged people who are supposed to be their *raison d'être*. While I was studying a popular NGO, it organized a free concert for its supporters. The concert took place in a big theatre which could host several hundred people. To save money, however, the NGO only printed about 100 copies of the programme. The NGO found some college students to work as volunteer ushers that evening. One of their duties was to hand out the programme to guests as they arrived. A deputy manager of the NGO stood with the students at the entrance to greet the guests. As there were not enough copies of the programme for everybody, she made sure the students only gave them to the important guests. At one point this manager was called away. Not knowing who was important and who was not, the students started to give the programme to everybody who arrived. Walking back a few minutes later, the manager saw what the students were doing and shouted anxiously to them, while still several steps away: 'Give the programme to bureau chiefs and section chiefs, don't give it to useless people.'

I find this little incident highly illustrative of the starkly different attitudes of many Chinese NGOs – whether officially organized or popular in origin – towards the state and its officials on the one hand, and ordinary members of society, including the very people they are set up to help, on the other hand. Their multiple dependence on the state has led many NGOs to view their relationship with government agencies and officials as the most important of all their relationships. In contrast, their clients, who tend to be the most powerless among NGOs' contacts, and who depend on them for services, are often treated as the least important people. NGOs themselves are not unaware of the contradictions involved in such a ranking of their relationships, but they argue that this is unavoidable and think that they have got their priorities right. I once took part in a popular NGO's celebration of its 10th anniversary. The NGO invited government officials, donors and representatives from other NGOs, as well as its clients, to the celebration. During the event, officials and donors occupied the central position, while clients

were left on the sidelines. Afterwards I learnt that the clients had talked among themselves about the celebration, and were displeased about the marginal position they were consigned to.[17] A few months later, the director of this NGO and I both attended a big ceremony of another popular NGO. There we witnessed a similar situation. On our way back after the ceremony, the director remarked that it was just like a government function. Then she added: 'Unfortunately popular NGOs in China today are all doing things this way. Our 10th anniversary celebration was organized exactly in this fashion. We behaved just like a government organization.' She attributed this to the 'conservative mentality' of her staff, and thought that she alone could not change the situation.[18]

While this director at least deplored the fact that even popular NGOs put the government before the common people, thereby forgetting the purpose of their existence, the director of another popular NGO felt that this was the right position for organizations like hers to adopt. She said:

> If you are very close to the government and your work is praised by the government, it is beneficial. But it can also have a down side. You become distant from ordinary people. Ordinary people will think that you are the same as the government. Those people who distrust the government will not support you any more. They will think that you are wallowing in the mire with the government. But if you don't curry favour with the government you cannot get things done. In the end, the support of the government is far more important than the support of the common people. Besides, people have different views. There are also those who will support you *because* you enjoy an excellent relationship with the government.[19]

With such a conviction, some NGOs showed no hesitation in invoking state power to bully powerless common people into submission to their wishes. Chapter 4 told the story of an NGO that wanted some poor villagers to move their ancestral graves to make room for an extension of its premises. Rather than trying to reach an agreement with the villagers through consultation, the NGO used its influence to persuade the local government to requisition the land and force the villagers to move the graves. Such conduct is clearly at odds with what is generally considered the proper behaviour of NGOs. Therefore we can see that Chinese NGOs' dependence on the state has created some fundamental problems with regard to their ability to fulfil essential civil society functions.

This dependency has also been the reason for many officially organized NGOs' poor record in fulfilling useful functions on behalf of the state. As has been discussed, officially organized NGOs are often created to assist with the administrative tasks of government agencies and to facilitate the implementation of state policies. Some government-initiated foundations, for example, are set up to raise money from non-governmental sources to fund government-identified programmes. However, the performance of these NGOs has been very uneven. Whereas organizations such as the CYDF have achieved enormous success in mobilizing societal resources to supplement the government's social development

spending, there are also a considerable number of foundations that have failed to raise a single penny.[20] In a 1996 speech, a Vice-Minister of Civil Affairs said that in the MCA's assessment, of the 1810 national social organizations, only 20 per cent were able to fulfil their purposes. Another 20 per cent either hardly carried out any activities or were bedevilled by internal strife. The remaining 60 per cent had carried out some activities, but on the whole had not performed many useful functions.[21] The situation had not improved much a few years later. In 2000, the director of the POMB said in a lecture that one-third of national social organizations were 'useful', one-third were 'of limited use', and one-third were 'completely useless or even worse', that is, they actually created problems rather than playing any useful role.[22]

As has been explained, some officially organized NGOs have been used mainly by individual government departments or officials as tools for pursuing their illegitimate particularistic interests, often in violation of central government policies. These organizations fall into the category of NGOs that are described by the POMB Director as trouble-makers rather than helpers. Here I am not discussing these NGOs, but those which, according to the Director, were either of very limited use or completely useless, although harmless. The previous chapter has touched on the reasons why some officially organized NGOs have been ineffective tools for the state. As part of its reform programme, the national leadership has encouraged government agencies to transfer some of their functions to NGOs, but many agencies at the local level are reluctant to do so, as this would reduce their power and resources. Therefore, although they have set up new NGOs in response to the call from higher levels, they have not handed over any real responsibility to them (e.g. Foster 2002). This is a main factor that explains the limited impact of these NGOs. There are other factors as well. As mentioned before, many officially organized NGOs are staffed by serving or retired government employees whose incomes and job security are not tied to the fortunes of the NGO. Some of these NGO staff, of whom Xu Yongguang and his colleagues at the CYDF are outstanding examples, have displayed considerable entrepreneurial flair and raised money themselves to undertake projects, but there are also others who will carry out activities only if they receive project funding from the government. When there is no money, they do nothing. During a field trip to a western province, a Beijing-based NGO researcher found that many staff of officially organized NGOs whom he interviewed were unperturbed by the fact that they were sitting idly in their offices all day long. The general secretary of one such NGO said that they were 'on strike' because the local government was in financial crisis and had no money to give his organization.[23] NGOs like this have continued to exist because they do not need to earn their living. By creating the dependency of such organizations, the state has only itself to blame for their ineffectiveness.

Motives and skills of NGO practitioners

I have already discussed the motivations of officially organized NGOs. Clearly, impure motives account for many of the problems of officially organized NGOs.

When government agencies and officials see these organizations as tools for advancing their private interests, it is not surprising that their record in serving the public interest is disappointing. Now I turn to the motives of people who set up popular NGOs. In these NGOs, one can also find major problems caused by motivational deficiencies.

It is often difficult for researchers to ascertain the true motives of popular NGOs. As mentioned in Chapter 5, many founders of popular NGOs have excellent public relations skills and are extremely good at presentation. Furthermore, with the donor community vigorously funding capacity-building programmes for Chinese NGOs, many NGO leaders have quickly picked up buzzwords such as 'civil society', 'participation', 'accountability' and 'empowerment', and have woven these words neatly into their discourse. As a result, in interviews with NGO leaders one tends to hear only high-sounding accounts of what motivated them to set up NGOs, which may or may not be accurate reflections of reality.

Fortunately, I have met some exceptionally candid NGO practitioners who were not afraid of revealing the true reasons for their NGO activism. Their stories greatly facilitated my understanding of the factors that motivate people to create or join NGOs. I also benefited from many discussions with NGOs' clients who had gained insight into this issue through long personal experience. Finally, my research method enabled me to win sufficient trust of many of my interviewees, so that after some time they stopped giving me the standard explanation of their motives and started to show me a more genuine picture of their aspirations.

Some popular NGOs have been set up by people whose real motive is profit.[24] Loopholes in the government's NGO-management system have made it possible for profit-oriented organizations to register as NGOs, especially at the local level. Many fee-charging social service organizations, such as private nursing homes and childcare institutions, fall into this category. For various reasons, some of these organizations have operated like true NGOs in their first years, despite their founders' profit-making intention, that is, they have delivered services without making a profit out of them. However, the founders have not abandoned the hope of eventually turning them into profit-making entities. This factor not only calls into question their long-term credibility as public welfare organizations, but also exerts some negative effects on their current performance as NGOs.

For example, the founder of a women's NGO which had been supported by international donor funding told me that her initial plan was to launch a profit-making service. The founder observed that market reform was producing more and more rich men. Many of them started to take on mistresses. This had created a large number of neglected wives, who were well provided for materially, but were lonely and bitter. The founder thought that if she set up a counselling service for such women, a place where they could go and vent their grievances in front of sympathetic listeners, it would be very profitable. However, she did not have any training or previous experience in marriage counselling, which meant she would have difficulty attracting clients if she set up such a practice. This, coupled with the fact that the founder met some foreign donors who were keen to fund women's NGOs (but obviously not profit-making ventures), made her decide to launch

her organization as a general service NGO for women instead of a specialized counselling business.

As donors were paying the piper, they called the tune. Donor preferences channelled the organization's activities towards such issues as domestic violence and the sexual exploitation of women, rather than extramarital affairs, where the founder's original interest lay. In other words, donor influence had made the organization function as a genuine NGO rather than a money-making operation. However, the marriage counselling idea was still very much alive in the founder's mind. This had caused her to make certain management decisions which were not conducive to strengthening the organization's performance in the genuine NGO work that it had undertaken so far. For example, in addition to advocacy and training, the organization also carried out case work with individual woman who needed protection. Even though the organization was understaffed and could only handle a small number of cases at any given time, the founder had taken on cases that were in line with her original idea of marriage counselling and charged fees from the clients in these cases – probably without the donors' knowledge – instead of dedicating the limited time of her staff entirely to helping women who had been victims of serious abuse. The founder's long-term ambition for her organization also influenced her choice of staff development programmes. She favoured training in psychology and counselling techniques for herself and her staff, rather than in subjects such as law, gender studies and human rights, areas of expertise that are more relevant to the kind of work the organization had been doing.[25]

Although profit has been the driving force behind some popular NGOs, it is not the chief motivation for most of them. It seems that most people seek non-material rewards from NGO activism in the first place, even though they often welcome the material benefits too. According to one outspoken women's NGO activist, a university lecturer, there were four reasons why she took part in NGO activities: they provided her with data for her teaching and research; they allowed her to make useful new friends, thereby expanding her social network; they brought some extra income; and they gave her opportunities to go on foreign trips. This woman considered her case to be typical. She had worked for several well known women's NGOs in China, and knew many inside stories. She was very cynical about the motives of most leaders of women's NGOs, believing that they had similar goals to hers, but that in addition they were after fame.[26]

As this woman pointed out, it was not that these NGO leaders did not believe in what they were doing. They did care about the causes they had chosen for themselves, and had worked energetically to promote them. However, they were not exactly value-driven. Their NGO activism did not necessarily spring from deeply held beliefs or ideals. It was motivated as much by personal gain as by anything else. This interest in personal gain was reflected in the way these leaders managed their organizations. There was often a total lack of transparency and democratic decision-making. The leaders wanted to control everything, and were reluctant to share opportunities and acclamation with their staff. Consequently, they all had difficulty retaining talented people. Furthermore, this woman argued, because the leaders' actions were not founded on a passion for such ideals as equality,

democracy and the empowerment of women, they could hardly inspire others with these ideals. In fact, they often showed little regard for these principles in their treatment of the NGOs' beneficiaries. As to the NGOs' ordinary staff, they had not experienced much equality, democracy or empowerment themselves because of their leaders' autocratic style, so how far were they able to go in embodying these values in their own interactions with the NGOs' clients?

This woman's opinion was shared by many other NGO workers I interviewed. They often complained that their leaders treated the NGOs as their private property. As one proof of this, many cited the fact that their leaders were extremely reluctant to set up boards of directors to supervise their actions. Some staff felt they were working for the fame of their leaders, rather than for a public cause. Many said that their leaders did not allow them to represent the organizations in external meetings for fear that they would start to make a name for themselves. One person said that, at first, she represented her organization at some meetings with donors because her manager did not speak English. However, once she became familiar to the donors, the manager started to worry that she herself would be overshadowed, so she sent another person to these meetings instead, even though the replacement did not speak English, therefore could not understand or say a word. Many NGO staff were disgruntled at the monopolization of opportunities by their leaders. One person said that she was able to go on a study tour abroad only because the donor agency that funded the tour specifically invited her, as it was directly related to the work she was doing. This greatly annoyed her manager, who tried unsuccessfully to find excuses to prevent her from going on the trip. Not surprisingly, many staff also complained that their leaders would tolerate no disagreement, let alone criticism.[27]

Despite the complaints of their staff, to conclude that many NGO leaders started out with selfish gains in mind, such as fame, professional opportunities or material rewards, is probably doing them an injustice, for at the beginning many of them simply did not know exactly what they would achieve through the projects on which they were embarking. On the other hand, many founders of popular NGOs did admit that self-fulfilment was their main motivation. Many of them were not satisfied with the jobs they were doing, and were looking for ways to put their talents to better use. For example, Zhang Shuqin, the founder of the Shaanxi Province Returning to Society Research Association, said that the idea of organizing such a project took shape on her 45th birthday, when she decided to find a new career for herself. That day, Zhang Shuqin reminisced:

> I sat in a small restaurant, drinking by myself the whole day and thought about many things. I was 45 now. Suppose I would live to 90, this meant half of my life had already passed… . [In the past 45 years] I had raised two daughters, … moved from a [poor] mountain area to the provincial capital city, and obtained my own flat. After 45 … I needed a big goal. It should not be a goal that was simply about being able to support my children or earning a salary. It should be something which I could carry on doing until I was 50, 60, or even 100. (*Beijing Youth Weekly*, 3 January 2000: 14)

Similarly, Meng Weina, the founder of a school for mentally disabled children in Guangzhou, set off on a mission to help disabled people after her 30th birthday.[28] As Meng Weina explained, she was working in a factory at the time and found her job dull and unfulfilling. Desperate to change her life, she had tried her hand at a number of things, such as journalism and writing, but those ventures all failed. Finally she read in the newspaper that Deng Xiaoping's son had founded the China Disabled Persons' Federation. This gave her an inspiration:

> I thought if Deng Xiaoping's son was doing it, then this type of work would meet few objections, which meant I would have a better chance of success. This was the reason I chose to work with disabled people then. As far as I was concerned, I did not have to pursue this particular cause. I would be equally happy working as a journalist or a writer… . I was heavily influenced by the idea of 'taking one's stand at 30'. I thought I would rather die if after turning 30 I still could not carve out a career for myself.[29]

While there is nothing wrong in seeking self-realization through NGO work, the fact that the original motivation of some NGO leaders is self-realization rather than passion for the specific issues addressed by their NGOs does tend to present problems for the organizations later on. It is true that wanting a fulfilling career and a sense of personal achievement is not the same as having specific selfish aims, such as fame or professional advancement. However, in practice one tends to associate the latter with the former. It seems that, once their work has brought them rewards such as fame and professional opportunities, some NGO leaders do attach great importance to them, and are unable to convince those around them that they care about the NGOs' missions more than these personal gains. This appears to be an important reason why there is often a great deal of cynicism among NGO staff about the motives of their leaders and the purposes of their organizations.

Often this cynicism is further exacerbated by the way NGO leaders handle their organizations' external relations. As described in the previous chapter, many NGO leaders are prepared to use any means necessary to win the patronage of government agencies and officials. Such an approach may be dictated by necessity, nevertheless it creates the impression that the leaders are unscrupulous and unprincipled. In dealing with the public, the media and donors, NGO leaders are often opportunistic and manipulative. They are not shy of spin and *shanqing* techniques. While such methods may be effective in gaining the sympathy and support of people who are at a distance, they make the leaders appear hypocritical and disingenuous to those who are close to them and are therefore able to see the discrepancy between rhetoric and reality. As a trusted personal assistant of an NGO leader told me, their organization had always had a very high staff turnover. Almost all the former staff had left the organization with ill feelings. Some of them fell out with the leader over pay disputes, but there were also others who became disappointed because they used to believe the carefully crafted public image of the leader. After they came to work for her, however, they realized that

instead of a paragon of virtue, she was 'after all a normal person, therefore she still had all the needs of a normal person'. Despite her high moral tone in public, she would employ any method that delivered results. Once they had observed these facts, these staff members became disillusioned, and all sorts of problems tended to follow from there.[30]

Ironically, the more skilled NGO leaders are in public relations, and the more successful their organizations are in mobilizing support and donations from the government and the public, the more cynical their staff become. The cynicism prevalent among NGO staff has contributed to an internal culture of many NGOs which is characterized by a lack of trust and openness between leaders and other members, a lack of institutional loyalty, much backbiting and incessant power struggles. While many NGO staff complain about the self-serving behaviour of their leaders, many of them also inadvertently reveal that they themselves do not always put the interest of their organizations above their own. For example, many have no scruples about badmouthing their leader to donors and clients, which often serves to undermine the latter's confidence not just in the leader, but in the organization as a whole. It is not uncommon for staff members to make contact with donors and other key supporters behind their leader's back to promote their own schemes. Quite a few of them admit that they plan to start their own NGO or project, and to this end are secretly exploiting the resources of the organization for which they currently work.[31]

Just as NGO staff are often full of complaints about their leaders, so NGO leaders also have plenty to say about the cynical tactics of their staff. One leader said that two senior staff in her organization never disagreed with any of her decisions at staff meetings. However, if they did not like these decisions, they would go afterwards to the NGO's patron in the government to make mischief, so that he would pressure her to change her decisions.[32] Another leader said that her deputy had tried to oust her through backstage manoeuvres rather than an open challenge. The deputy supplied clients with details of various behind-the-scene activities in the NGO, which served to foment their dissatisfaction with her leadership. Eventually, some of the clients joined forces to demand that she hand over the helm to the deputy.[33] Many NGO leaders feel that their staff often have a personal agenda and do not share information with them.

Obviously, if NGO leaders can be motivated by something other than lofty ideals, then one cannot expect all ordinary NGO staff to be good Samaritans who are without any selfish motives either. The above-mentioned university lecturer who was active in women's NGOs, for example, admitted that she was driven chiefly by personal considerations. During field research, I encountered many cases of individuals who participated in NGO activities essentially out of self-interest. A life insurance salesman worked as a volunteer for a women's NGO mainly in order to meet more potential clients.[34] A photographer wanted to work for a children's NGO because the NGO would enable him to put on an exhibition of his pictures.[35] A recent college graduate joined an NGO because it offered opportunities for him study abroad.[36] One NGO invested a lot of effort in recruiting and training volunteers, only to discover that many were single women who

came with the hope of meeting eligible bachelors. Once they found there were few male volunteers, these women stopped coming.[37] While the motives of ordinary NGO workers are diverse, NGO leaders must take a large share of the blame for the cynical behaviour of their staff, as they often fail to move and inspire their staff and volunteers through their example and moral appeal. Even though many NGO staff are not idealists to begin with, the perception that their leaders are Machiavellian individuals who are promoting themselves through NGO activism has no doubt encouraged their cynicism and provided the justification for many of them also to pursue a personal agenda.

It is well known among Chinese NGO researchers and practitioners that many NGOs are plagued by 'internal problems' that threaten their organizational sustainability and undermine their public-service performance. Many identify motivational issues as major causes of these 'internal problems', but few have made any connection between these problems and the skills of NGO managers. In fact, the skills that have made some NGOs more successful than others in mobilizing support from the government and the public are also creating some serious short- and long-term problems for these organizations at the same time. Such skills can make NGOs pay more attention to appearance and presentation than substance. They encourage NGO workers to treat people outside their organization, including their clients, as targets of manipulation rather than empowerment. They can even lead to a neglect of principles and a loss of essential values that weaken the moral foundation of NGOs.

The skills of NGO practitioners have also threatened the healthy functioning of NGOs in another way. As discussed, even though the government has put in place a stringent regulatory framework which appears substantially to curtail NGO autonomy, in reality many NGOs have not only successfully evaded control and supervision by the government, but have also been able to use official protection to shut out supervision from other quarters, such as the media. The lack of effective checks on NGOs that know how to 'work the system' has opened a floodgate to various forms of NGO corruption and dysfunctional behaviour. Therefore, although the skills of some NGOs in securing enormous operational freedom for themselves are good news for those working in those organizations, they are often bad news for society at large, whose interest is better served if the actions of NGOs are subjected to proper external supervision and held to high standards.

Political culture and barriers to collective action

In NGO studies, a distinction is often made between organizations set up to benefit their own members, and those set up to benefit others. Different authors have used different terms to distinguish these two types of NGO, including 'mutual benefit NGOs' versus 'public benefit NGOs' (Thomas 1992) or 'membership support organizations' versus 'grassroots support organizations' (Carroll 1992). The main difference between the two types lies in their accountability structures: membership-based NGOs are accountable to their members, whereas non-membership organizations are not.

Many of the examples cited in the preceding two sections to illustrate some common problems of Chinese NGOs involve non-membership organizations. Many of these problems, such as NGOs' arrogant attitude towards the recipients of their services, their lack of transparency and healthy internal culture, and the use of NGOs by their staff to pursue personal gains, appear to be attributable in large measure to the fact that these NGOs are not accountable to their beneficiaries. Those who set up and staff these NGOs are usually not members of the disadvantaged social groups serviced by the NGOs. In fact, most leaders and senior staff of these NGOs are elite members of society who enjoy much more elevated socio-economic status than their beneficiaries. This fact may lead one to pin the hope of seeing NGO actions of a more democratic and empowering kind – actions that are closer to people at the grassroots and more effective in representing their interests – on membership organizations, where people from similar backgrounds or with similar needs organize to help themselves.

Unfortunately, my research suggests that, at present, there are a number of factors that impede the development of popular membership-based NGOs in China. In this section I focus on factors that appear to have their roots in China's political culture.

Many observers of China's political culture have noted that it has a host of attributes that constitute obstacles to collective action and the growth of civil society. These include fatalism, elitism, passivity, fear of politics, deference to authority, and lack of cooperative spirit and group solidarity. Alan Liu, for example, commented thus on China's mass political culture:

> Two primary characteristics of this culture are occasionalism and sectionalism. The first means every group (or person) attempts to maximize its (or his/her) short-term interest while a specific occasion allows it. The second means every group deals with the state independently of other groups. (Liu 1996: 224)

Liu also quoted Liang Qichao, a famous early twentieth-century Chinese reformer and scholar, who enumerated eight characteristics of the Chinese political culture: survivalism, inurement to violence, a propensity to internecine conflicts, falseness-and-craftiness, egocentricity, myopia, fearfulness, and volatility. Although Liang made this observation in the 1920s, in Liu's opinion these characteristics of the Chinese people 'are still much in evidence' today (*ibid*.: 226).

Another scholar, Ogden, had this to say on the elitism and individualism of Chinese political culture:

> Mainstream Chinese culture has also been deeply elitist, for it is a society in which everyone ranks him- or herself (and are ranked) as superior to some and subordinate to others. But it has also been a highly individualistic culture, in the sense that Chinese, beyond their loyalty to family, do not tend to display the type of group loyalty that is seen in some other cultures, such as Japan's; and that they seem to be interested far more in individual self-enrichment than in the collective public good. (Ogden 2002: 115)

Such comments appear to typify 'interpretive studies' of political cultures, which are 'characteristically based on documentary sources, interviews, and field observation' (Nathan and Shi 1993: 95).[38] Such studies have been accused of a number of weaknesses, which have led Nathan and Shi to conclude that: 'In short, even the best interpretive work consists of broadly stated, loosely specified insights using ill-defined terms, meaning different things to different readers, and making statements that may or may not be true' (*ibid*.: 96). An alternative to interpretive studies is the survey approach. Nathan and Shi point out that surveys have the advantage of allowing researchers to describe beliefs, values and attitudes with precision and to measure variation in cultural attributes among a population. If interpretive studies are inadequate, then what light have survey studies been able to throw on Chinese political culture?

Not surprisingly, different surveys have yielded different results, but there is no lack of survey findings that support the 'broadly stated, loosely specified insights' of interpretive studies. For example, a 1987 national survey found that although Chinese citizens were generally interested in politics, their interest seldom translated into concrete actions of political participation. In this survey, 62.41 per cent of the respondent agreed with the statement that 'I am very cautious about discussing politics', while 63.69 per cent agreed that 'It is better not to get too involved in politics'(quoted by Tao and Chen 1998: 219). A survey carried out in Beijing in 1988–89 concluded that 'most people in Beijing abandon group-based political activities when articulating interests, engaging individually in the majority of political activities. Many political activities elsewhere that are collective, such as campaigns and strikes, have become individualized in Beijing' (Shi 1997: 110). Similar conclusions were reached by a survey of the rural population conducted in four counties in 1990: 'the Chinese sample trails nearly all other countries with respect to rates of cooperative, group-based efforts to solve problems and address issues, thus echoing the common observation about the weakness of civil society in China' (Jennings 1997: 364).

Another survey of Beijing residents in 1995 found that the majority of respondents were elitist and authority-oriented: 71.4 per cent of them agreed, or strongly agreed, that 'The wellbeing of the country is mainly dependent upon state leaders, not the masses.' And 63.5 per cent agreed, or strongly agreed, that 'In general, I don't think I should argue with the authorities even though I believe my idea is correct' (Zhong *et al*. 1997). Similar attitudes have also been detected among many private entrepreneurs in four provinces in central and eastern China. In a survey carried out in these provinces in 1997 and 1999, 49.2 per cent of private entrepreneurs agreed, or strongly agreed, that 'Rich people should have more influence in policy-making than poor people', and 50.1 per cent of them agreed, or strongly agreed, that 'Measures to improve the political structure should be initiated by the party and government, not by society' (Dickson 2003). A 1998 survey of 350 university students in Beijing asked them to prioritize 12 development challenges for China over the next five years. Only 3.4 per cent of the respondents chose 'Increase public participation in government decisions' as the first priority, and only 0.6 per cent chose 'Increase public participation in community decision-making' as the

first priority. As a result, both issues ranked below others such as 'Develop a society where ideals count more than money', 'Develop a friendlier and more humanistic society' and 'Protecting the environment' (quoted by Ogden 2002: 123–24).

What have caused the above-mentioned characteristics of the Chinese culture and popular attitude, which hinder political participation and civic activism? Scholars have explored different explanations. Lucian Pye tries to trace the psychological roots of China's political culture. Take 'stoic fatalism' as an example. Pye suggests that the Chinese socialization process is responsible for this particular trait of its people. Pye explains that from earliest childhood, Chinese learn that they must accept the dictates of their parents without complaint and must not show the slightest aggression towards their parents, whatever their private feelings. 'Years of quiet obedience to paternal authority teach that it is usually best to display no emotions, accept fatalistically what is called for, and suppress one's anger' (Pye 1988: 56). Other scholars cite China's long tradition of Confucianism as contributing to many of its distinctive cultural attributes. For example, Hu (2000) describes how Confucianism as a state ideology has supported authoritarianism through such means as teaching the ruled to be loyal and obedient to their rulers, and emphasizing the virtues of conformity and hierarchy. Many scholars also note the pernicious effect of decades of frequent political campaigns and the state's pervasive control over society on mass political culture.

The nature of the political institutions in China offers another explanation for its people's political behaviour. As Shi (1997) argues, whereas the institutional arrangements in many societies make it difficult for ordinary citizens to influence policies at the implementation stage, forcing them to pursue their interests by targeting the agenda setting or policy formulation stages of the policy process, the institutional design in China is such that the reverse is true. In China, policies are usually not formulated in a precise form, and lower-echelon bureaucrats often enjoy considerable discretionary power in interpreting and implementing policies according to local situations. Such an institutional design induces people to focus on influencing the decisions of individual officials, rather than the policy-making process itself, in order to obtain the desired benefits from the government. This, in turn, encourages them to take individualized actions such as developing patron–client ties with officials or using *guanxi* (personal connections), which is often more cost-effective than investing in group-based political activities.

To sum up, both interpretive and survey studies of political culture and political participation in China have identified a number of features that are not conducive to civil society activism. These features cannot be attributed to a single cause. Rather, history, ideology, customs and tradition, and past and present political institutions, have all played a part in producing these features. Both interpretive and survey studies, however, have intrinsic limitations. Interpretive studies allow scholars to make generalized statements about China's political culture, but their propositions tend to lack precision and specificity. Although survey studies can overcome these weaknesses of interpretive studies, as Nathan and Shi acknowledge, 'survey results can never take the form of generalizations about all Chinese and how they differ from all non-Chinese' (Nathan and Shi 1993: 116–17).

Given the limitations of both interpretive and survey studies of political culture, simply using their conclusions to explain the problems of popular membership NGOs in China would not constitute rigorous analysis. For example, to say that the reason many NGOs have not been very effective advocates for the rights of their constituents is because their members are fatalistic, passive and fearful of politics sounds both simplistic and vague, even if there is a good deal of truth in such a statement. Furthermore, the existence of cultural traits that are not conducive to civil society activism does not mean that such activism can never develop in China. Culture alone is usually insufficient to explain human behaviour, so one should always be cautious about taking a cultural deterministic stand. However, if in analysing the problems frequently encountered by Chinese membership NGOs one invokes studies of Chinese political culture, not in order to proffer ready-made explanations for these problems, but merely to point out that the cultural attributes and behavioural patterns identified by these studies do seem to have some bearing on NGO performance, then it is a different matter. The latter is the approach I follow. During my field work, I found that popular membership NGOs (as well as group-based activities that had the potential of evolving into formal organizations, which I shall call 'proto-NGOs'), in different sectors and different geographical locations, all faced a number of similar obstacles that could not be blamed entirely on non-cultural factors. The relevance of cultural factors therefore needs to be considered.

Among many popular membership-based NGOs and proto-NGOs, there appears to be widespread pessimism (or realism) about what they could achieve with their actions. This pessimism is apparently responsible for many people's lack of interest in engaging in advocacy activities to challenge the *status quo*, especially current government policies and practices. Many people stress that NGOs should not set unrealistic goals for themselves, and should be sympathetic to the government's position. For example, the leader of an association of parents of disabled children remarked:

> When so many able-bodied people have been laid off, how can we realistically expect the government to give subsidies to families with disabled people, or find jobs for disabled people? My brother lives in New Zealand. I have heard from him that in New Zealand the government takes care of everything for disabled children. There are special provisions for them so they receive more benefits than normal children. If we want China to do the same, I am not even sure if it can be achieved 50 years from now, so I don't blame the government. There is no point in pressuring it to do what it is incapable of doing.[39]

The leader of another NGO, which seeks to reduce the use of pesticides, said:

> The pesticide problem cannot be solved quickly. Reducing pesticide usage will require major changes on a number of fronts. For instance, reform of the current agricultural chemical distribution system is necessary, since at present many people make a living by selling pesticides. Viable alternatives

> to pesticide must be found and offered to farmers, whose livelihood will otherwise be affected. Consumers' awareness needs to be substantially raised so that they will reject polluted agricultural products. A system of quality and safety control must be installed to keep polluted products out of the market. The government will not be able to make all these changes overnight even if it wants to. Even if the government drafts new regulations banning the use of pesticide, implementing them will be difficult. Therefore there is no use asking the government to develop new policies. Eliminating the use of pesticide will inevitably take a long time.[40]

Even if they are not completely pessimistic about their ability to make a difference, most people want quick solutions to their problems, and are unwilling to devote time and energy to any activity that does not promise immediate returns or concrete benefits to themselves. Most revealing is the remark of a participant at a national conference of parents of mentally disabled children. The remark was made in response to another participant's suggestion that they contact representatives to the People's Congress to ask them to introduce new legislation on social services for disabled children:

> It is too slow a remedy to be of any help. Even if we can make the People's Congress adopt new legislations to provide social services for disabled children, it may take five years for it to happen, but we cannot wait that long. By then our children will have grown up. So let us focus on practical issues instead.[41]

At the same conference, several parents from different cities all mentioned that preoccupation with their individual short-term needs had prevented many parents from taking part in collective action to pursue long-term goals. In some of the cities, a few more active parents had tried to set up parents' organizations, but had failed to gather enough support from other parents who did not perceive any immediate benefits to themselves from the proposed organizations. In one city, some parents of autistic children did succeed in setting up an association that effectively lobbied government special education schools to accept their children, who used to be denied access. However, once the problem of their own children's schooling had been solved, some initial members of the association, including its two founders, pulled out of the organization instead of continuing the fight for new parents joining the association who still faced this problem.[42]

In another city, a parents' association was set up with the encouragement of a local NGO leader, who consciously tried to promote civil society activities. Its objective was to organize parents to influence government policies on welfare provision for disabled people, but it was unable to mobilize active participation from many parents. As the president of the association said:

> The Chinese people are very practical. They only make investments when they are assured of returns. If there is going to be a 50 per cent gain, people

> will give you 50 per cent support, otherwise they give you nothing. Because they did not see any material benefits, parents were not keen on the association. The two vice-presidents and I made ourselves very busy but achieved nothing.'[43]

Fear of incurring the displeasure of authorities is common among members and potential members of popular NGOs, and presents a further impediment to the development and effective functioning of these bodies. At the above-mentioned national conference of parents of mentally disabled children, some parents, when encouraged to organize themselves, were afraid that the authorities would accuse them of participating in illegal activities. For example, at a group discussion, after hearing parents complaining that they received little support from either the government or society, a teacher suggested that families living close to each other could form small groups and meet regularly to exchange information and engage in mutual aid. Even such an innocuous scheme scared some parents, who feared that they would be found guilty of setting up illegal organizations.[44]

In a public speech in 2002, Meng Weina, an NGO activist for nearly 20 years, argued that the development of civil society in China might have been hindered more by the people than by the government. Over the years, she and her colleagues had used various means to push the government to provide more welfare for disabled people. Although the government was often annoyed by their sharp criticism, it had, by and large, responded favourably to these legitimate demands. On the other hand, her open criticism of the government and bold challenge of existing policies and practices had frightened many members of her own organization, as well as other NGOs, who had tried to distance themselves from her and accused her of being overly political. As a result, Meng Weina felt that she had faced more pressure from 'the people' than from the government.[45]

Meng Weina's charges were at least partially borne out by comments from those who had worked with her. In dealing with the government, Meng Weina had not shrunk from confrontational strategies. For example, she once led some parents of disabled children on a demonstration outside the municipal People's Congress to demand that the government provide financial assistance to disabled children in non-governmental schools.[46] Some people who had taken part in the demonstration later argued that Meng Weina was wrong to involve them in such activities. One parent said:

> In retrospect I think she had no consideration for our safety. China has its specific situation. What if the government arrested us? She should have thought about protecting us. If she organized the demonstration now I would not have taken part in it.'[47]

A former colleague of Meng Weina's said: 'She is too emotional and tactless. We should take strong measures only after courteous ones fail. We should try to get what we want from the government through friendly negotiations rather than confrontational strategies.'[48]

Such views were disputed by a disabled woman who set up a club for disabled youth with the help of Meng Weina. As this woman remarked, 'Many people criticize her for using radical measures, but if she had not taken radical measures the government would not have paid attention to her.' Her experience of trying to make the government approve the club had convinced this woman that they would not have succeeded if they had not followed Meng Weina's advice and put some pressure on the government:

> If we did not fight for our rights we would never have succeeded, because they told us we did not need to organize our own club. They said they would organize things for us through the Disabled Persons' Federation. If we had listened to them, we wouldn't have the club today. After Meng Weina staged the demonstration the government immediately sent over 10 officials to her school to discuss their demand and they agreed to give the school 100,000 yuan every year. If Meng Weina had not taken that action, how could they receive the money?
>
> When Meng Weina tried to set up the Zhiling school for mentally disabled children, she applied to the government for approval. She waited a long time, but did not receive any response from the government. Eventually she had a meeting with a vice-mayor. The vice-mayor simply told her that they had lost her application. On hearing this, Meng Weina banged on the desk and reproached the vice-mayor. Other people would have behaved very differently in that situation. If the vice-mayor told you she had lost your application, most of us would just write a new one and resubmit it to the government. Meng Weina does things differently, but she has achieved results.[49]

Despite similar expressions of support for Meng Weina's 'radical actions', most people were afraid of taking part in such actions. Some even maintained, in the face of evidence to the contrary, that Meng Weina's actions had had no positive effect on government policies and practices. Others agreed with Meng Weina that her efforts had forced the government to improve its care for disabled people, but nevertheless thought that her strategies were likely to cause 'misunderstanding with the government' and were therefore not suited to 'the political environment of China.'[50]

To Meng Weina, her NGO colleagues' and clients' fear of offending the government was a major constraint on her ability to engage in civil society activism. To respect their wishes, she was forced to channel her energy into service delivery rather than advocacy work. Faced with similar problems, some other activists who shared Meng Weina's dauntless spirit had decided to abandon group-based actions altogether in favour of individual actions. Some anti-AIDS campaigners, for example, felt that as individuals they were less fearful of criticizing the government and exposing its mistakes, and therefore could carry out more effective advocacy than organizations. The conclusion they drew from this was that they did not need any organization to support them.[51] While this may be the case, it demonstrates once again how many disincentives for collective action exist at present.

Another factor that often hinders the development of grassroots membership NGOs is the short supply of leaders. Although many people are willing to participate in mutual-benefit groups, few are prepared to assume leadership roles, which inevitably require that they dedicate more time and energy to the group than ordinary members. At the aforementioned national conference of parents of disabled children, one participant spoke eloquently about the importance of parents' organizations, then deplored the fact that no such organization existed in his city. When others suggested to him that he could be the founder of such an organization, this participant replied: 'That I cannot do. I am the kind of person who only talks.'[52] In a southern city, I met a group of parents of autistic children who had planned to set up a day-care and training centre for autistic children themselves, in response to the lack of such facilities in the city. One member of the group was a rich businessman who had offered to let the group use one of his properties for this purpose. The parents held several discussions but nothing came to fruition, as nobody was willing to take the responsibility of running the centre. One parent was a doctor who was considered by the other parents to be the most suitable person to lead the effort, given her medical background, but she was not interested. This parent told me: 'The person who manages the centre will probably need to work full-time, but I have a good job. I am doing well professionally. I don't want to give up my job to do this.'[53]

Throughout my field work I met many parents of disabled children who talked about organizing themselves. However, as few of them were willing to make the necessary personal sacrifices in order to lead collective actions and help develop them into formal organizations, such talks often produced no concrete results. Most of the existing parents' organizations came into being only after receiving a strong push and organizational support from outsiders. For example, an association of parents of mentally disabled children in Guangzhou was formed largely as a result of Meng Weina's active promotion. The chairman of the association was a retired university professor whose child was living in the residential home managed by Meng Weina. As he explained to me why he agreed to lead the association:

> I was doing part-time work for two publishing houses, so I was busy. I didn't want to take part in too many social activities. I preferred to concentrate on my own work so that I could accumulate some money to leave to my disabled child. If I served in the parents' association, then there would be a lot of demand on my time. However, Meng Weina asked me to help organizing the association. I considered her request for a week. I thought that people like Meng Weina who did not have disabled children themselves were doing things for us, so if we parents who had such children refused to lend a little help to them when they requested it, such behaviour was morally indefensible. So I reluctantly agreed to head the parents' association. Once I saw that the association did not have much impact, I became even less enthusiastic.[54]

As mentioned above, local officials in China often enjoy considerable discretionary power in implementing policies. Ordinary citizens can effectively pursue their

private interests by taking individualized actions to persuade officials to make decisions in their favour. This further reduces the incentive for people to lead collective actions. A story related by a member of a parents' association serves to illustrate this point. This parent and a fellow member of the association paid a visit to the municipal government's charity fund, which had provided financial aid to various people in need. However, it had not provided funding for families with disabled children, as it did not have such a funding category. These two parents argued that many families with disabled children also experienced financial difficulties, so the charity fund should create a new category for such families. The charity fund official who received them said that this was not possible. However, he offered to help these two parents with their individual needs.[55] One can see from this example how tempting it is for ordinary people in China to approach officials with their individual problems, rather than trying to obtain benefits for a whole group of people.

Even after popular membership NGOs have been established, after overcoming all the obstacles outlined above, they are often sapped by internal strife, which tends to break out whenever the opinions or interests of their members are not in total alignment. None of the NGOs I interviewed had been free from such strife. Two NGOs in the HIV/AIDS field saw their members disagreeing with each other as to which priority issues their organizations should be addressing. In each case, rather than trying to resolve their differences, members simply pursued their own interests with little regard for the unity of their organization and the coherence of its goal.[56] One NGO organized a national conference of people living with HIV/AIDS in order to bring such people in different parts of the country together for joint action. However, people living with HIV/AIDS who had no higher education felt snubbed and rejected by those who did.[57] Efforts by an internationally funded HIV/AIDS-prevention programme to encourage people at high risk of contracting HIV (such as homosexual men and commercial sex workers) to form their own organizations also encountered much difficulty, as homosexual men tended to form many small circles based on similar educational background and socio-economic status, and did not wish to be associated with those outside their circles, while commercial sex workers often saw other sex workers as competitors rather than allies.[58]

In another case, a British couple founded an organization called Guangdong Special Children's Parents' Club. The couple obtained some funding from overseas sources, and used it to set up a resource centre for parents of mentally disabled children. The club's 100 or so members included parents of autistic children as well as parents of children with other types of mental disability such as Down's syndrome and cerebral palsy. Although the club was intended to bring together families in similar situations, so that they could join forces in improving public perceptions and attitudes toward mentally disabled children, instead of pulling together, the members of the club formed informal subgroups which quarrelled with each other over the use of the club's resources. The preoccupation with immediate needs, as opposed to long-term goals, drew together parents of children with the same type of disability. Parents of autistic children organized activities specifically targeting autism, using the resources of the club. Other parents

were disgruntled because they felt those families benefited more from the public resources of the club than they did. Parents of autistic children remained unrepentant, saying that the resources of the club were for everybody, so if other parents did not know how to make good use of the resources, it was their problem. Meanwhile, they also started to organize activities among themselves outside the club to avoid squabbles with other parents, which further weakened the sense of solidarity among club members.[59]

In recent years, as they start to carry out more advocacy as opposed to service-delivery activities, Chinese NGOs are increasingly aware of the need for joint actions. On environmental issues, for instance, NGOs may need to challenge government policies that prioritize economic growth over environmental protection, or oppose large infrastructure projects backed by powerful ministries and giant state-owned enterprises, or they may seek to change the lifestyles of millions of people, advocating a new consumption mode which is more energy-efficient. Individual NGOs working on their own are unlikely to win such huge battles, so they need to pool their resources and join hands with other like-minded people and organizations. However, NGO cooperation has been plagued by incessant competition for leadership position and the spotlight, with most good initiatives unable to sustain themselves over an extended period. In one case, several NGOs campaigning together on an issue agreed to rotate the chairmanship. However, after the first year, the serving chair was unwilling to hand over to the next organization, and the joint campaign fell apart.[60] In another case, a donor-funded project aimed at encouraging NGO cooperation invited several NGOs jointly to implement a project. Although they all signed a contract agreeing to share resources and support each other, the NGOs in fact treated their relationship as a zero-sum game and were reluctant to share even basic information, let alone other resources.[61] In the past few years, several attempts have been made to organize environmental NGO alliances, but they all fizzled out. In a recent workshop to discuss NGO cooperation on environmental issues, participants all agreed that a database of environmental NGOs would facilitate cooperation, but instead of agreeing jointly to construct a database, NGOs that can contribute resources to such a project all wished to start their own database instead of joining other organizations' efforts.[62]

Conclusion

At present, many factors are preventing Chinese NGOs from performing both service-delivery and advocacy functions effectively. Given that NGOs developed in China only after the reforms, it is not surprising that they still demonstrate many limitations. The emergence of an NGO sector in China has been the result of changes in state–society relations brought about by the reforms. The current state of Chinese NGOs also reflects the essential features of state–society relations at the present time. What has this study of Chinese NGOs revealed about the nature of state–society relations in contemporary China? How will the evolution of state–society relations affect the future of Chinese NGOs? I turn to these questions in the concluding chapter.

7 Conclusion

Chinese state and society have undergone profound changes since the beginning of the reforms three decades ago. The emergence of an NGO sector is a direct consequence of these changes. Reforms have not only led to a relaxation of state control over the economy and society, but have also seen the state actively creating and sponsoring NGOs in order to transfer to them certain functions that it used to perform itself under the command system. In the economic sphere, the state has sought to reduce its direct management role by establishing intermediary organizations, such as trade associations and chambers of commerce, to perform sectoral coordination and regulation functions. In the social welfare sphere, the state wants to foster an NGO sector to share its burden of service provision. In the social development sphere, the state hopes that NGOs can mobilize societal resources to supplement its own spending.

Meanwhile, societal actors have been quick to exploit the greater social space and the non-state-controlled resources now available to them to pursue their independent interests and agendas. NGOs provide an important channel for such pursuits. With the impetus to the formation of NGOs coming from both state and society, the number of NGOs has increased rapidly in the reform era. Ministry of Civil Affairs (MCA) statistics show that before 1978, there were only about 6000 social organizations in China (Wu and Chen 1996). By the end of 2006, their number had reached 186,000, and the number of private non-enterprise units, which did not exist before the reforms, had reached 159,000.[1] Moreover, the social organizations that existed before the reforms were fully controlled by the state and mainly served the state's objectives, whereas many NGOs that have emerged since the reforms enjoy considerable autonomy and work to promote societal interests. A good example of such NGOs is those that are 'organized around marginalized interests' (Howell 2004), such as self-help groups formed by people living with HIV/AIDS, or organizations championing labour rights.

NGOs in reform-era China represent both change and continuity in state–society relations. Given that no 'regime change' took place in China, and it has followed the path of gradual reform, to say that there is both change and continuity in state–society relations is to state the obvious. In addition, scholars need to specify the nature of the changes and continuities, and to identify the most fundamental of these. Scholars who have reflected on state–society relations based on their study

of NGOs typically see the semi-official nature of some NGOs and the state's tight formal control of the sector as evidence of continuity, while finding change in the predominantly popular nature of other NGOs and a certain degree of autonomy which NGOs have enjoyed. Those who see more continuity than change turn to corporatist models to characterize state–society relations in the reform era, while those who see more change than continuity invoke the concept of civil society.

Although there is nothing wrong in viewing change and continuity in state–society relations in terms of how much control the state retains over society and how much control it has lost, scholars have not been able to assess accurately the change and continuity thus conceptualized, based on their studies of NGOs. There are two reasons for this. The first is that scholars are often unable to judge correctly the actual degree of control the state has over NGOs. They can easily get it wrong when trying to decide whether particular NGOs serve as proof of the continued supremacy of state power, or the growth of social power. Consequently, they may conclude that the state has NGOs firmly under its corporatist control, when in fact NGOs are having their own way; or they may conclude that civil society has developed, when in fact state dominance is being reasserted. As I argue in Chapter 3, just because an NGOs is officially organized, receives government funding and has personnel from government agencies, this does not mean that it is necessarily under effective state control and serves the state's interests. Conversely, a popular NGO is not always proof of the expansion of social autonomy. I return to the subject of officially organized NGOs later. Before that, consider one last case study of a popular membership NGO, described by the Chinese researcher Kang Xiaoguang.

Named the Gaoligong Mountain Peasants' Association for the Preservation of Biodiversity (hereafter 'the Association'), the NGO is a rural social organization located in a nature reserve in Yunnan Province. It was born out of a biodiversity-preservation project funded by the MacArthur Foundation in the USA and implemented by the Kunming Branch of the Chinese Academy of Sciences (CAS). While drawing up the project implementation plan, the project leader, a member of the Kunming Branch of CAS, thought of the idea of setting up a peasants' association. The idea won the support of the MacArthur Foundation. Subsequently its implementation was entrusted to a member of the project management team who was an official in the Gaoligong Mountain Nature Reserve Administration.

During a visit to Baihualing village, the official discussed the idea of the Association with its cadres. As can be expected, the cadres had no objection to this proposal from a higher-level official. After returning to his office, the official drafted a constitution for the proposed Association without any consultation with the village cadres. He then applied for, and obtained, official approval for the Association. Next, he and the village cadres decided on a member list for the Association, which mainly included the 'elite' in the village: cadres, teachers and villagers of high social standing. In this way the Association acquired its first 50 members. In subsequent years, the Association's membership expanded, but the way it enrolled new members showed the same lack of due process that characterized the selection of the first members. For example, in 1997 the Association held

agrotechnology training in the village using funds provided by the MacArthur Foundation. Those who attended the training included both members and non-members. The Association reasoned that as it had organized the training, it should benefit its members, so those who received training must all be members. Therefore the Association simply added the names of the non-member trainees to its membership roster. This was how about 30 new members 'joined' the association, who at the end of 1998 had still not received their membership cards.

The official in the Gaoligong Mountain Nature Reserve Administration and the village cadres agreed on the composition of the Association's leadership in their first meeting. They decided that the Village Party Secretary would serve as the Association's chairman. The Village Head would serve as deputy chairman, while a third cadre, the Village Clerk, would assume the role of general secretary. In other words, before the Association acquired a single member, its leaders had already been chosen, even though according to the Association's constitution they should be elected by members.

After the Association had been set up, the Chairman arrogated all power to himself. He controlled all the income and expenses of the Association – even the accountant was denied access to the accounts book. The Nature Reserve Administration official admitted that the Chairman was his sole point of contact in the Association. All the activities the Association undertook had been suggested by the official. He would communicate his ideas to the Chairman, who then organized their execution in the village. Other members of the Association had no say whatsoever in its decision-making. The official was able to count on the Chairman to follow his every suggestion, not because he was a member of the biodiversity project's management team, but because he worked in a higher-level government office. Similarly, the ability of the Chairman to control the Association and to organize activities in the village was due not to his chairmanship but to his position as the village Party Secretary. In short, both the establishment and the operation of the Association were the result of the state administrative system at work. As Kang Xiaoguang (1999b) concluded, although a new organization was created in this case, it was merely an appendage to the existing state administrative system. In the village, rather than becoming a competitor of the existing village administration, the new organization served only to strengthen the existing organization by providing it with new resources, such as funding from the MacArthur Foundation.

The case of the Association is interesting, because, since its founding in 1995, it has been widely publicized as a model of new-style social organization – 'a voluntary organization of peasants' own'. On the surface, it certainly meets all the criteria of an innovative grassroots popular NGO: it was not initiated by a government agency but was born out of an overseas donor-funded project; it does not receive any money from the government; it is not led by government officials and there is no official among its members;[2] and it shows that ordinary peasants who are usually preoccupied with their immediate livelihood needs are able to organize themselves to pursue environmental protection activities. However, as far as state–society relations are concerned, the Association is essentially old wine

in a new bottle. Beneath the Association's innovative surface lie the same old structures and processes. It does not represent any change in the distribution of power between the state and society. Nor does it show the power of the state being exercised in a new way.

Although the Association is just one example, it demonstrates the complexity of Chinese NGOs and the difficulty of determining the true nature of state–society relations embodied in particular NGOs. The labels of 'officially organized' and 'popular' do not always allow researchers accurately to assess the power relations between NGOs and the state. This is the first problem with the attempt by scholars to characterize change and continuity in state–society relations in terms of the degree of state domination over NGOs. The second problem with this approach is caused by the diversity of the NGO sector. Chinese NGOs show varying degrees of autonomy from the state. At one extreme, there are officially organized NGOs which are comprehensively dependent on the state agencies that created them, and behave more like subordinate units of the agencies than independent entities. Sometimes such organizations and their mother agencies are hardly distinguishable, hence the expression 'one team, two signboards'. Even when they have a more distinct existence, such NGOs are able to function only by drawing on the administrative authority of their mother agencies. At the other extreme, there are genuinely bottom-up NGOs that set their own agenda and seek to influence government policies and practices on behalf of their constituents, or to bring important issues to public attention. Examples include popular NGOs that work to promote the rights and welfare of disabled people.

Because of the diversity of Chinese NGOs, scholars have had a hard time fitting this complex reality to one model of state–society relations, whether civil society or corporatism. No matter which model one proposes, it would not be difficult for others to challenge it by citing examples of NGOs whose relationship with the state follow a different pattern. Recognizing the heterogeneity of the NGO sector, some scholars have argued that instead of one model, several models of state–society relations are operating at the same time in China. For example, Ding Yijiang suggests that to explain associational activities at the present time, one needs both models, of corporatism and civil society. Furthermore, one needs to invoke several subtypes and variations of the two models. On the corporatism side, three tendencies co-exist: state corporatism, societal corporatism and local corporatism. On the civil society side, one can discern both a 'civil society with corporatist inclination', which overlaps with societal corporatism, and a 'civil society with pluralist inclination' (Ding 2001: 71–72). An article by a leading scholar of Chinese NGOs, Jude Howell, concludes that '[i]t is thus no longer appropriate to think in terms of a single civil society or public sphere … In practice there are multiple civil societies and multiple emerging public spheres that are localized and specific, forming a tapestry of associations and, on occasions, voices that local governments sometimes encourage, sometimes ignore, sometimes contain, and sometimes repress' (Howell 2004: 163).

In sum, the complexity and diversity of Chinese NGOs present two major challenges to scholarly analysis of change and continuity in state–society relations

based on the study of NGOs – whether particular NGOs represent change or continuity is not always straightforward; and many different types of NGO–state relationship coexist. Does this mean it is impossible to find a simple way of describing change and continuity in state–society relations in post-reform China, based on the study of NGOs, which allows for the difficulty of establishing the actual degree of state control over individual NGOs and which does not require the deployment of multiple models? I suggest that it is possible if we put aside the frameworks of civil society and corporatism, and try a new concept. Based on my study of Chinese NGOs, I suggest that the most significant change and continuity in state–society relations in post-reform China can be summarized in a simple notion – dependent autonomy.

This different way of conceptualizing change and continuity centres on the separation of the concepts of independence and autonomy, which have so far been used by NGO scholars as interchangeable notions. As I have argued, Chinese NGOs can be heavily dependent on the state, yet enjoy an enormous amount of *de facto* autonomy. I suggest that this dependence on the state, which is common to different types of NGO, is the most important element of continuity in state–society relations in the reform era. Admittedly, this dependence exists in varying degrees in different NGOs, but as Chapter 4 argues, at the present time it is inconceivable how any Chinese NGO with an active programme can function without drawing at least some support from the state, as their dependence is created by the basic structural and institutional conditions of contemporary China. Although the transition to the market has resulted in a decline of state power and its domination over the economy and society, bureaucratic control over the allocation of resources and opportunities remains extensive. Furthermore, many factors, such as the lack of effective checks on the predatory and arbitrary use of administrative power by state agents, an incomplete and ineffective legal system, and constant fluctuations in government policies, have all contributed to an uncertain environment for both private businesses and NGOs in China.

To operate in this environment, private entrepreneurs forge patron–client ties with government officials. They depend on official patronage for access to bureaucratically allocated resources and political protection. The relationship between Chinese NGOs and the state displays the same pattern. As Chapter 4 demonstrates, material resources are but one type of support that NGOs draw from the state. Even if NGOs are self-sufficient financially, they still depend on the state and its agents for many other things, ranging from legitimacy in the eyes of society, protection from predation and obstruction by individual government agencies or officials, and project implementation capacity, to essential information, not to mention the sponsorship of state agencies, which is the precondition for NGOs' lawful existence. This dependence on the state is shared by officially organized and popular NGOs alike. Unlike officially organized NGOs, popular NGOs have no natural ties to the state. Nevertheless, they have many of the same needs as their officially organized counterparts and therefore seek the same assistance from the state. In fact, because of their common dependence on the state, the difference between popular and officially organized NGOs is not always as

clear-cut as the labels might suggest. As mentioned in Chapter 4, many popular NGOs were started by 'amphibious people', who remained state employees while pursuing their NGO activities. One NGO I studied was set up and run by an official in a local government bureau. This organization falls into the category of popular NGO, because it was created on the individual initiative of the official rather than that of the bureau, and its funding came from international donors rather than the government. Its objectives were also set by its staff rather than the government bureau. However, because its founder had remained a bureau official, the NGO enjoyed the backing of the bureau and had access to both its physical and administrative resources. In other words, it resembled officially organized NGOs in several important respects.

Just because NGOs are dependent on the state, this does not mean that the state can fully control them. This leads me to the most significant change in state–society relations – the weakening of the state's social control mechanisms, which explains the autonomy of NGOs. As a evidence presented in Chapters 3, 5 and 6 makes clear, many Chinese NGOs have enjoyed an extraordinary degree of *de facto* autonomy. In fact, in a large number of cases, there has been so little effective state supervision and control that NGOs have been able to carry out illegal activities unchecked. The state has failed to stop such activities, even though they undermine its policies and harm its interest.

A particularly noteworthy aspect of the autonomy of Chinese NGOs concerns their economic activities. To put such activities in perspective, it is necessary to refer to the scholarly discussion on 'state entrepreneurialism' and corruption in post-reform China. As mentioned in Chapter 2, an important change undergone by the Chinese state in the reform era is the rise of state entrepreneurialism: the widespread involvement of state agencies in entrepreneurial activities. Although not always the case, such activities are often linked to official corruption. Many officially organized NGOs are best seen as part of the entrepreneurial drive of their parent agency, if not outright incidences of organizational corruption by the agency. Although not registered as for-profit businesses, these NGOs perform similar functions for the agencies. In a typical case, the National Audit Office found that a large state-owned company had diverted funds to illegal uses through seven subsidiaries it had set up. Of these, five were businesses, while two were non-profit organizations. All seven subsidiaries were 'one team, two signboards' organizations, that is, employees of the company served concurrently in these subsidiaries, therefore they did not have separate personnel. The company diverted funds to the five for-profit entities by awarding contracts through them. It gave the contracts to these subsidiaries first, which then handed them out to other contractors at a lower price, thereby making a profit. The company diverted funds to the two non-profit organizations in a more roundabout way. The two organizations, one of which was called Staff and Workers' Technology Association, charged consultancy fees from bidders for the company's contracts. If bidders paid these two organizations for their 'technical advice', then the company would award contracts to them. Although the two non-profit entities made money in a different way from the for-profit entities, their profits were used the same way

by the company. Most of the profits were distributed among company employees as bonus payments. After the seven subsidiaries were set up, the cash income of the company's permanent employees rose by 248 per cent, while the income of temporary employees rose by 504 per cent.[3]

Because state entrepreneurialism has served useful functions, notably making up for the budgetary shortfalls of state agencies and absorbing their redundant personnel, the central state has not taken consistent, resolute measures to eradicate this practice. However, it does recognize that unbridled state entrepreneurialism can cause serious problems, and has launched several campaigns since 1985 to curb it. In 1993, for example, the central government ordered all state agencies to de-link themselves from the economic entities they had established. After the central state has issued such directives, state agencies may find it difficult to carry on running businesses directly. By engaging in businesses indirectly through the NGOs they set up and control, they can continue to pursue entrepreneurial activities without openly violating central state policies. In one example, the Industry and Commerce Bureau of Beijing's Chaoyang District used the Self-Employed Labourers Association under its aegis to establish a commercial company. The profits generated by the company could legitimately go towards paying the salaries and perquisites of the Association's officers. As most of the Association's officers were in fact simultaneously Bureau officials, it was really the Bureau and its officials who benefited from the profit-making operation of the company (Unger 1996).

In the case of officially organized NGOs which are deeply embedded in the state agencies that created them, the entrepreneurial activities of the NGOs should really be seen as the entrepreneurial activities of their sponsoring agency. But there are also officially organized NGOs that enjoy substantial autonomy from their sponsor. It is not uncommon for such NGOs to engage in entrepreneurial activities themselves. Similarly to the entrepreneurialism of state agencies, many entrepreneurial activities of such NGOs have dubious legality and involve the exploitation of their connections and special access to the government. For example, a short paper written by a China Literature Foundation (CLF) staffer describes some of the CLF's fundraising methods. One method is to engage in commercial ventures in partnership with private companies. As this staffer records:

> Many individuals or enterprises have economic resources but lack stature and 'background'. On the other hand, non-profit organizations often have some governmental background and enjoy close ties to officials … Therefore, the two have complementarity. For example, many small and medium-sized enterprises wish to collaborate with the CLF in business activities. In one successful case, in 1994, our foundation undertook the Guangwai real estate development project with a private company. Our foundation did a lot of work in obtaining the necessary approval for the project and finding investment for it, but our actual financial input was almost zero. After the project was completed, the private company made over 20 million *yuan* of

> profit. Our foundation also earned a handsome sum. This is the technique often referred to by people in our circles as 'catching a wolf without having to contribute something as bait.' This mode of operation has been adopted by many foundations and there are frequently successful cases. (Li 1999: 4)

The freedom with which many officially organized NGOs have pursued entrepreneurial activities that violate central government policies and rules is probably the most important manifestation of their autonomy. Such autonomy is not enjoyed by officially organized NGOs alone. Many popular NGOs also appear to have engaged in entrepreneurial activities with considerable freedom, often with the help of their contacts in the government. Most popular NGOs I studied either had undertaken entrepreneurial activities in the past, or were seriously considering embarking on such activities. One NGO was running several small businesses. When I visited, it was about to open another business, a night club *cum* salon *cum* massage parlour. A local official was a good friend of the NGO and had been involved in the establishment of the businesses. I was present at a discussion between the official and the NGO about the new business, which was due to open soon. The person hired by the NGO to run the establishment was concerned that it had not obtained a business licence yet, but the official told him not to worry and to open the place as scheduled, saying: 'No need for you to be concerned when I am here to take care of things.'[4] Another popular NGO I studied was managed by a director who was perpetually thinking of new profit-making schemes. One such scheme involved a deal with the local court whereby the court would sell some confiscated properties to the NGO at a very low price rather than selling them to the highest bidder at auctions. At one point, this director even thought of establishing a business in Japan with the help of some friends. While the NGO would be the owner of the proposed business, she also hoped to invest some of her own money in it, so that she could personally earn some profit too.[5] A third NGO formed a partnership with a private business. The NGO provided services for disabled people, so its profit-making activities enjoyed tax exemption. By forming a partnership with the NGO, the private business became eligible for tax exemption as well.[6]

The entrepreneurial activities of NGOs have often led to charges of corruption, or at least a lack of financial transparency. Chapter 6 discusses the motives of leaders of popular NGOs. As mentioned, NGOs' leaders are often accused by their staff, clients and others in NGO circles of using NGOs to advance their private interests. One reason this charge is levelled so frequently appears to be that many leaders of popular NGOs have gained fame and plenty of professional opportunities through their activism. There is also another reason: NGO leaders are also frequently accused of gaining financially from their NGO work. The entrepreneurial activities of NGOs have no doubt contributed to such accusations. Because NGO directors often undertake business activities through the help of, or in collaboration with, their friends, and they often release little information about these business activities even to their own staff, it naturally arouses suspicion that they have made personal financial gains from these activities.

As argued in Chapter 6, it is very difficult to pass judgement on charges of self-seeking against NGO leaders. What underlies such charges is the fact that reforms in China have created opportunities for individuals to seek self-realization by pursuing NGO activities, whether their self-realization involves gratifying private needs or championing a public cause. While the motives of NGO practitioners are varied, sound legal and regulatory frameworks, their effective application, and reliable monitoring mechanisms can help to guard against the misuse of NGOs by individuals with self-serving purposes, just as they can help to check the abuse of NGOs by government agencies in pursuit of their particularistic interests. At present, however, these institutional safeguards are not in place, hence the problems of NGO misconduct and dysfunction described in this book.

In conclusion, based on my study of Chinese NGOs, I propose that the nature of state–society relations in reform-era China can be captured in the notion of dependent autonomy. This means that social forces have gained substantial autonomy from the state, but they continue to depend on the state for various support and resources. I suggest that this depiction of state–society relations has several advantages, compared with thinking in terms of the loss or retention of state control over society. It does not require that we correctly judge the degree of state domination in individual cases of state–society interaction, which is by no means easy and straightforward; and it is able to abstract a single pattern out of multiple realities. Furthermore, this notion serves to highlight the prevalent attitude of social actors towards the state, which is characterized by opportunism and pragmatism rather than any desire to mount political challenges to the state. Thus the word 'dependent' conveys both a reality and a mentality. Summarizing the works of the late China scholar Gordon White, Marc Blecher wrote that in White's analysis, in both pre- and post-reform periods, Chinese society had always been politically engaged with the state, but social classes and groups had engaged in the kinds of politics White studied in order to advance their interests, not to reshape the state (Blecher 2003). My research on Chinese NGOs leads to the same conclusion. In their interactions with the state, the vast majority of NGOs are interested mainly in finding ways to exploit state-controlled resources, both material and non-material, for their own benefit, rather than playing the political role conventionally ascribed to civil society. This attitude of NGOs makes perfect sense, as it is not necessary for them to reshape the state first before they can advance their interests. There are easier and quicker ways for NGOs to advance their interests, such as forging patron–client ties with officials, operating through networks of personal relations that cut cross the state–society divide, or providing political support to the state in exchange for its sponsorship.

Although social actors are not interested in reshaping the state, this does not mean that the state has them under its effective control. The notion of dependent autonomy corroborates the characterization of the post-reform Chinese state as 'fragmented authoritarianism' (Lieberthal 1992). While the state has retained its dominant role in economic and social spheres, authority below the very peak of the system has become more fragmented and disjointed as a result of economic reform and administrative decentralization. Consequently, although the state

remains strong in the sense that it still exerts extensive control over economic and social activities, it has also become weak owing to the fragmentation of its authority. In advancing their interests, NGOs have enjoyed far more autonomy than the stringent government regulations would suggest. Often, this is made possible by the assistance and patronage of NGOs' friends and contacts in the government. Therefore the considerable autonomy enjoyed by many NGOs is not simply a reflection of the Chinese state's weakened ability to control society. It points to a weakening of the state's ability to control its own bureaucrats. The two processes are inextricably linked: the greater autonomy of social actors in the reform era has gone hand-in-hand with the greater autonomy of state agencies and officials from the central state. The state's failure to discipline unruly NGOs boils down to its failure to discipline its own agents, whose protection and complicity enable these NGOs to evade supervision and engage in inappropriate or even illegal activities.

Obviously not all NGOs use their *de facto* autonomy from state control to pursue illegitimate private interests. Even NGOs that have used their autonomy this way may not do so at all times. In the case of NGOs' entrepreneurial activities, for instance, some are no doubt intended to generate income to finance NGOs' public service programmes rather than to serve corrupt purposes. However, the weak state capacity to keep such activities within bounds paves the way for the latter scenario. The unscrupulous and self-serving entrepreneurialism of NGOs (in some cases being part and parcel of the entrepreneurialism of their sponsoring agencies) has apparently been a fairly common problem, as attested by the frequent reference to it in both formal Civil Affairs documents and less formal comments and writings by Civil Affairs officials.[7]

This suggests that the growth of autonomous NGOs in China will not necessarily result in the development of civil society, at least not civil society defined as possessing the quality of 'civility', such as being rule-abiding and concerned with public rather than private ends. As Saich commented on the prospects for civil society in China: '[I]t is clear that to thrive a lively civil society needs a competent state structure and impartial legal system. Without this the free-for-all is more likely to produce an uncivil society as in Russia' (Saich 2001: 206). Many studies of the political economy of reform-era China have noted the formation of alliances between local officials and entrepreneurs to their mutual benefit, at the expense of the policies of the central state and the interests of other social groups (Odgaard 1992; Solinger 1992; Bruun 1995; Pieke 1995; Wank 1995a, 1999). The growth of NGOs has added another dimension to the alliance between state officials and social actors, which may or may not serve public interest. Although NGOs need autonomy to perform their essential functions, a state that lacks the capacity to enforce rules within the NGO sector may impede, rather than encourage, the good performance of Chinese NGOs. Dependent autonomy is not a type of state–society relations that favours the interest of the state. Neither is it a good foundation for a healthy civil society.

Notes

1 Introduction

1 Minimum living standard is a poverty line set by the government. The government distributes financial assistance to households whose incomes are below this line. The minimum living standard varies from city to city, reflecting the difference in local prices.
2 Interview, 26 March 2000.
3 For example, in many NGO social welfare organizations, clients were still subjected to verbal and physical abuse by the staff. Interviews, March, May and July 2000.
4 In addition to individual members, all organizations other than state organs may also join social organizations as institution members.
5 Service units (*shiye danwei*) are officially defined as 'public-benefit social service organizations … set up by state organs or other organizations using state-owned assets' (State Council 1998c). The key difference between a service unit and a PNEU is that the former is state-owned whereas the latter is not.
6 For management and registration purposes, foundations are also classified as social organizations at present, even though they are not membership organizations.
7 This view is commonly held by Chinese researchers (see e.g. Liu 2001; Deng 2001a; Gao 2001).
8 Telephone interview with a Chinese NGO researcher, 17 June 2002.
9 For example, second-level organizations may not be allowed to have their own bank accounts, which means they have to use the bank accounts of their host organizations. However, this is not always the case; some second-level organizations do have their own accounts.
10 Mass organizations have often being accused, with very good reason, of not being NGOs in the real sense. Nevertheless, they are included in most studies of Chinese NGOs by both Chinese and foreign researchers, although they are treated as a special category. It should be noted that mass organizations perform administrative functions on behalf of the state, and operate in much the same way as government agencies. Before the civil service reform of the 1990s, their staff enjoyed civil servant status and could be transferred to government agencies. The All-China Federation of Trade Unions, the All-China Women's Federation and the Communist Youth League in fact function as the Communist Party's labour, youth and women's department, respectively, and are under the direct leadership of the Party. It often makes more sense to think of these organizations as part of the state apparatus than as NGOs.
11 The distinction between officially organized and popular NGOs is not always clear-cut. For example, some popular NGOs have staff who are able to work for them while retaining their status as government employees. This kind of situation is explained in more detail later in the book.

12 Calling NGOs either 'officially organized' or 'popular' represents a different way of classifying them. This classification is based on NGOs' origin, whereas the previous section distinguished NGOs by their different legal status. Officially organized NGOs are less likely than popular NGOs to have ambiguous legal status. Given their official background, they are less likely to run into difficulty when they try to register with Civil Affairs. Therefore it is usually popular NGOs that are forced to register as businesses or second-level organizations under registered NGOs, or to not register at all.
13 The reason is twofold. On the one hand, the three big mass organizations, the All-China Federation of Trade Unions, the All-China Women's Federation and the Communist Youth League, are already performing many social welfare functions. In addition, there are already specialized agencies, such as the China Disabled Persons Federation and the National Commission on the Affairs of Elderly People, that are responsible for looking after particular groups of vulnerable people, so the government perceives no need to set up many officially organized NGOs in this field. On the other hand, state policy in the reform era has emphasized the necessity for society to share the responsibility for social welfare provision with the state (captured in the slogan 'the socialization of social welfare'). The government has therefore sought to encourage private initiatives and mobilize non-governmental resources to supplement its own effort. This means that it wishes to see popular rather than officially organized NGOs being created in this sector.

2 Research on Chinese NGOs: comparing different analytical frameworks

1 Here 'overseas scholars' also include scholars originally from China, but who are now based at academic institutions abroad and who publish their work in English.
2 According to the classic definition of corporatism authored by Schmitter, it is 'a system of interest representation in which the constituent parts are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.'(Schmitter 1979: 13). Political scientists often distinguish between two subtypes of corporatism: state corporatism and societal corporatism. The difference lies in the relative strength and autonomy of social organizations *vis-à-vis* the state. Under state corporatism, the power of the state is predominant.
3 Even those who use the term 'civil society' may actually have corporatism in mind. For example, Frolic designates Chinese NGOs as 'state-led civil society', then goes on to explain that 'State-led civil society is a form of corporatism' (Frolic 1997: 58).
4 Even researchers who argue that Chinese NGOs increasingly perform social representation functions point out this does not mean they already constitute a civil society (e.g. Zhang 1997).
5 With the exception of Foster, who takes the 'extreme' view that the business associations he has studied are so deeply embedded within state agencies that they should be considered part of the organizational complex of the state, therefore the question of their degree of autonomy is no longer relevant.
6 In China, large cities are divided into districts. District governments are similar in structure to municipal governments. Functional government agencies at the municipal level all have branches at the district level.
7 'An institutional explanation emphasizes how organizational constraints shape social action. The interests of actors have to be explained rather than assumed' (Wank 1995a: 67, footnote 29).
8 In fact, Wank disaggregated both the state and the society in his analysis of the association. He described the fight between two state organizations for control of the association,

as well as the different attitudes towards the association among the city's private entrepreneurs. Here I am interested primarily in relating the society side of the story.

9 Chinese traditional breathing and meditation exercises.

10 Wang, Zhe and Sun actually identified three types of social organization: officially organized, semi-officially organized, and popular, but they found the majority of the organizations to be semi-officially organized, so the sector as a whole could be described as semi-official semi-popular in nature.

11 Sun *et al.* contrast the socialized with what they call the 'organization-based' (*zuzhihua*) method, but it is obvious that by 'organization-based mode' they mean the same thing as what Kang has called 'administrative mode'.

12 In addition to these three types of legitimacy, Gao also mentions 'legal legitimacy', which means the legal status that NGOs obtain after they are registered. Gao's whole article, however, can be said to be devoted to explaining how NGOs can exist without 'legal legitimacy' if they have social, administrative or political legitimacy.

13 On the issue of NGO legitimacy, for example, researchers such as Kang merely state that Chinese NGOs must strive for two kinds of legitimacy at the same time: 'official legitimacy' (recognition by the government) and 'social legitimacy' (Kang 1997: 636). More nuanced analysis, such as that by Gao, which distinguishes between administrative and political legitimacy, and which hints at cleavages within the state (e.g. when NGOs with strong administrative connections can flout the registration requirements by the state), is still very rare.

14 Recognizing that both state and society are composite rather than unitary entities does not mean we cannot talk about 'state' and 'society' any more. Disaggregating state and society does not deny their existence, and emphasizing their interpenetration does not deny the distinction between them. Therefore throughout this book I continue to use the terms 'state' and 'society', especially where I am interested only in distinguishing them from each other. I use phrases such as 'state agencies' and 'different social groups' when my emphasis is on the divisions within each realm.

3 The autonomy of Chinese NGOs

1 Service units are state-owned organizations that provide services to the public on a non-commercial basis, such as schools, hospitals, research institutes, publishing houses, theatres and museums. A service unit is defined in the Chinese administrative and legal systems as a type of organization that is distinct from an administrative agency, an economic enterprise or a popular organization.

2 Interview with Xu Yongguang, November 2001.

3 The CYDF was initially given an office in the office building of the CYL's Central Committee. By the time the Supervisory Office was set up, the CYDF had moved out of the Central Committee's building, but its new office was also an estate owned by the Central Committee. The CYDF was allowed to use it for free. (Guo *et al*. 1999: 126; Kang 1999: 223).

4 Most of the provincial organizations are also called Youth Development Foundation, but some of them have taken on other names, such as Project Hope Office.

5 At the time of my research the top management positions of the CYDF had all been held by former CYL cadres such as Xu Yongguang, who had retained their status as CYL employees. This means that, although the CYL no longer paid their salaries, if the CYDF ceased to exist, the CYL would be under obligation to find other jobs for them.

6 Interview with Xu Yongguang, November 2001.

7 As noted in Chapter 1, conventionally mass organizations are covered by studies of Chinese NGOs, which is why mass organizations are included in this section. In terms of their functions, the status they enjoy, and the way they operate, mass organizations are more like state agencies than NGOs in the normal sense.

8 Cases of lax government supervision of NGOs resulting in big problems, cited by the director of the Popular Organization Management Bureau (POMB), Ministry of Civil Affairs, in a lecture at Tsinghua University, Beijing, January 2000.
9 Interview with a Chinese NGO researcher, June 2002.
10 The 1999 document was for internal circulation within the Party and the government only, so its full content is not in the public domain, but I have heard some of its specific stipulations from government officials on various occasions.
11 Interview, March 2000.
12 Lecture by the director of the POMB, January 2000.
13 *Falun Gong* is a *qigong* related sect that took the government by surprise when 10,000 of its followers surrounded the headquarters of the state apparatus in central Beijing for 13 hours on 25 April 1999 to protest against some criticisms of its practice in the media. The government subsequently launched a nationwide crackdown on *Falun Gong* and eventually banned it as 'an evil cult'. The *Falun Gong* incident reminded the government that it had not maintained effective control over the activities of NGOs, hence its effort to tighten the registration and supervision of NGOs after the incident.
14 Lecture by the Director of the POMB, January 2000.
15 'The Concluding Speech by the Vice Minister of Civil Affairs Xu Ruixing at the Meeting on Strengthening the Management of Popular Organizations', 8 December 1999.
16 Red letterheads are used for official documents, and indicate that they contain direct orders or information from the government.
17 Lecture by the Director of the POMB, January 2000.
18 Lecture by the Director of the POMB, January 2000.
19 Interview with Xu Yongguang, November 2001.
20 As mentioned earlier, the CYDF benefits enormously from this arrangement as well. As it does not have a nationwide organizational network of its own, the CYDF needs the help of the CYL to run an operation that extends all over the country.
21 Interview with Xu Yongguang, November 2001.
22 In China, it is customary for organizations or individuals to approach government officials for their handwritten inscriptions, which are displayed as expressions of support or approval. It is also customary for shops, restaurants, etc. to use the calligraphy of government officials or distinguished scholars for their signboards instead of block letters. Similarly, newspapers and journals ask leaders to handwrite their titles, which they use as their mastheads.
23 Interview, November 2001.
24 Unpublished MCA documents.
25 Interview with the NGO's representative by a team of international consultants in November 1999. I acted as the interpreter for the interview.
26 Interview, November 2001.
27 Interview with a NGO practitioner, November 1999. According to Saich (2000: 133), a 1997 Public Security Bureau Circular recommended some administrative measures that could be used to block unwelcome NGOs, one of which was to pull them up on financial regulations.
28 Interviews with members of the club, March 2000.
29 Interview, March 2000.
30 Interview, July 2000.

4 Chinese NGOs and the State: a dependent relationship

1 The army led by the Communist Party during the war of resistance against Japan (1937–44). It was renamed the People's Liberation Army after the war.
2 Interview, April 2000.

3 The above information is based on various newspaper and magazine feature articles about Zhang Shuqin and her PCVs, a book on the PCVs (Chang 2000), and many conversations I had with Zhang Shuqin while working for her as a volunteer in December 1999 and January 2000.
4 Presentation by the director of Friends of Nature at an international conference in Beijing on 30 October 1999.
5 Zhang Shuqin wanted to replicate the PCVs in other regions of China, so in July 1999 she moved from Shaanxi to Beijing. Her plan was to set up a demonstration PCV in Beijing first, then gradually open up more PCVs in other cities. When I went to study Zhang Shuqin's work in Beijing, a large part of her effort concentrated on persuading the relevant government agencies in Beijing to support her initiative. As government regulations forbid NGOs to establish regional branches, Zhang Shuqin needed to register a separate organization in Beijing rather than set it up as a branch of the Shaanxi PCVs. While trying to obtain the necessary government approval for a PCV in Beijing, Zhang Shuqin had opened a small office in Beijing and called it the Help Centre for Special Children. It was hosted by the China Charities Federation.
6 Conversations, January 2000.
7 Interview, April 2000.
8 A custom in China whereby people 'adopt' sons and daughters but don't necessarily take any responsibility for them or live together with them. It is somewhat similar to the custom of having godparents. The difference is that one can be nominally adopted at any stage of one's life. It is not unusual for adults to become nominally adopted children of others.
9 Informal interview, April 2000.
10 Information about the charity concert scandal is based on my informal interviews with the director of the NGO in April 2000, and various newspaper articles around the time of the event that give detailed accounts of the concert, the investigation and the clean-up measures taken by the government after the investigation.
11 The NGO's director planned to take the case to court as a last resort if she failed to receive help from the government in resolving the dispute with the company (Interview, March 2000). As there is no clear separation of power between the judicial and executive branches of the government, administrative agencies can often exert strong influence on the decisions of the court as well as on the enforcement of court rulings, which is one reason why people usually try to enlist the help of administrative agencies to settle disputes first.
12 This narrative of the whole event combines information from four sources: interview with Huiling's Director in March 2000; interview with a parent in March 2000; the report of the government agency that mediated between Huiling and the real estate company on the final settlement of the dispute; and local press coverage of the event.
13 Interview, November 1999.
14 Interview, April 2000.
15 Interview, April 2000.
16 Interviews, April 2000.
17 Interview, March 2000.
18 Interview, May 2000.
19 Informal interview, April 2000.
20 Interview, March 2000.
21 Informal interview, September 2000.
22 For a statistical analysis of the income structure of Chinese NGOs see Deng 2001a.
23 Big foreign businesses, for example, often use philanthropic activities in China both for publicity and networking purposes (see Wang 2001).
24 Interview, November 2001.
25 Interview, November 1999.

26 Interview, November 1999.
27 Presentation by the President of the SGPAP, Liu Detian, at a workshop on enhancing cooperation between environmental NGOs and the government, Beijing, June 2007.
28 Districts are divided into sub-districts, which are administered by Street Offices. Sub-districts are further divided into 'communities' (*shequ*), at which level there are Neighbourhood Committees. While defined by the Constitution as 'mass self-managing organizations at the grassroots level', Neighbourhood Committees have in reality served as branches of Street Offices, and can therefore be considered the lowest level of urban administration.
29 Interviews, December 2001 and November 2002.
30 Interview, November 2002.
31 As part of the review, I carried out a number of interviews in Beijing, Yunnan and Sichuan in October and November 2002, with NGO staff, managers of HIV/AIDS programmes, and the beneficiaries of those programmes. The information related here is based on these interviews.
32 Interview, November 1999.
33 Interview, October 2002.
34 Interview with the Director by international consultants in November 1999. I acted as the interpreter for the interview.
35 Presentation by the President of the SGPAP at an NGO workshop, Beijing, June 2007.
36 Informal interview, November 2001.
37 Interview, June 2005.
38 Presentation by the Director of Green Han River at an NGO workshop, Beijing, April 2007.
39 Informal interview with the parent in February 2000.
40 My interview with the official took place in May 2000.
41 August 2000.
42 Conversations with Zhang Shuqin in January 2000.
43 This view was expressed by many NGOs at several workshops that I helped to organize in Beijing in 2006 and 2007.
44 Informal interview, July 2000.
45 Interview, January 2000.
46 Interview, June 2007.
47 Informal interview, April 2000.
48 I witnessed the meeting in January 2000.
49 This happened in April 2000.
50 An ancient Chinese practice that is supposed to utilize the Laws of both Heaven and Earth to help improve one's life. It often involves arranging objects, such as furniture, in ways that achieve harmony with one's environment. It is also used for choosing a place to live, plotting a burial site, or planning agricultural activities.
51 Although my analysis in this chapter is based on qualitative research, it is fully corroborated by existing quantitative data. When the Tsinghua University NGO Research Centre conducted a questionnaire survey of Beijing-based NGOs in 1999, 87.5 per cent of the NGOs said that they needed support from the government both in carrying out their activities and in pursuing their organizational development. Only 4.8 per cent of the NGOs said that they did not need the government's support (Deng 2000).

5 The skills of Chinese NGOs

1 Such vocabulary is most enthusiastically embraced by Chinese NGO practitioners themselves, who often use similies such as 'child', 'infant' or even 'embryo' to emphasize the underdeveloped state of the NGO sector and to call for more support from the government and international donors to foster its growth.

2 For example, in the case of the NGO that sought permission from the Bureau of Land Administration to build an extension to its premises (see Chapter 4).
3 Interviews with several NGOs in different cities. Also drawing on my personal experience of several such study tours.
4 Interview, May 2000.
5 Informal interview, July 2000.
6 Interview, April 2000.
7 Interview, November 2001.
8 It is a different matter with large-scale projects, which can only be implemented by the government.
9 Interviews, June 2000 and November 2001.
10 Informal interview, August 2000.
11 Informal interview, July 2000. The placement of retired officials was listed as an advantage because government agencies in China were often under pressure to look after their retired officials. As mentioned in Chapter 3, many officially organized NGOs were created mainly in order to place retired officials, and had been sarcastically called 'retired officials' re-employment projects'.
12 Interviews, November 2002. A particularly outspoken NGO manager once accused some key figures in the Chinese NGO community of being two-faced: They are effusive in their criticism of the government in meetings with foreigner donors, but become rather quiet when there are government representatives present.
13 Interview, November 2002.
14 Interview, January 2000.
15 The Vice-Minister's speech was quoted in over a dozen newspapers that reported the event, for example, *Democracy and Law,* 28 August 1996.
16 Mr Guo's comments were reported in several newspapers, for example *Workers' Daily*, 19 October 1996.
17 'Summary of the Work of the Shaanxi Province Returning to Society Research Association' dated 17 August 1999.
18 Because of the narrow coverage of the state welfare system in China, only a small number of orphaned children could gain admittance into the limited number of state welfare institutions.
19 Materials supplied by the NGO director.
20 Informal interview, September 2000.
21 Informal discussion, January 2000.
22 Based on various letters from the NGO manager to the Civil Affairs department.
23 Interview, April 2000.
24 Interview, April 2000.
25 Informal interviews, April 2007.
26 Interview, November 2002.
27 Informal interview, August 2000.
28 Interview, November 1999.
29 Informal interviews, July 2000.
30 Interviews, March and July 2000. I have also consulted several newspaper feature articles about the director and the NGO she founded.
31 Interview, January 2000.
32 Inspections typically take the form of quick tours, which are formalistic and carried out according to prearranged programmes. The places being inspected are often given advance notice to prepare themselves, so inspections are usually not very effective for discovering the true situation of a project or uncovering problems. The point the authors are making here is that inspections do not constitute proper supervision.
33 See *China Youth Daily*, 25 March 2002 for some comments on the self-discipline proposal by some key advocates of the initiative.

34 A donor briefing meeting I attended in November 2002.
35 The CYDF was even able to pay a big sum to hire an American PR company to help promoting it overseas (Shen and Sun 2001: 14, footnote 26).
36 The Deputy Director is referring to the fact, well known in China, that journalists often expect payments for writing a positive story. Many enterprises have given money or other material rewards to journalists to produce such 'paid news', which serves the function of an advertisement but can be more effective, as it is disguised as objective reporting by 'independent' journalists.
37 Here the Deputy Director is talking about donor-funded foreign trips. As discussed in the previous section, NGOs often use such trips to build up good relations with government officials. Obviously they can also use such trips to win friends in media circles.
38 The Deputy Director mentioned in his speech that he had studied journalism by correspondence. Not every small popular NGO has people trained in journalism working for it.
39 Informal interview, November 1999.
40 This story was told in several newspaper articles, which were based on interviews with the Director.
41 Informal interview, January 2000.
42 Informal interview, April 2000.
43 Informal interview, April 2000.
44 April 2000.
45 Interview, March 2000.
46 Talk by an official from the POMB, April 2000.
47 Interviews, March 2000 and November 2002.
48 Informal interview, December 1999.
49 The information on this case comes from an unpublished Ministry of Civil Affairs document.
50 Interview, October 2001.
51 Informal interview, December 1999.
52 Interview, 27 November 2002.
53 Informal interview, October 2002.
54 Based on documents provided by the NGO and interviews with its managers in May 2000.
55 Interview, May 2000.
56 Interview, November 2002. I have good reasons to believe that the person I interviewed was not biased against the leader, but gave an accurate description of the situation within the organization. However, to maintain confidentiality I cannot reveal the reasons here. My interviewee's analysis of the NGO's problem has also been corroborated by other people who know the NGO and its leader well. Furthermore, it has been proved accurate by subsequent developments within the NGO.
57 Conversation with the researcher, June 2002.
58 Interview, November 2002.
59 The information is based on a number of interviews, both formal and informal, with the director over the course of several months in 2000.
60 Interview, October 2001.
61 Officials of the POMB complain that NGOs dominated by retired officials are particularly troublesome, as they are often bogged down in in-fighting. POMB officials have spent a lot of time mediating between different factions within these NGOs who fight each other for control. The director of the POMB said in a lecture in 2000 that in one such NGO, there were constant frictions between the 70-year-olds and the 80-year-olds. Eventually the 80-year-olds convened a board meeting, which passed a resolution to expel all the 70-year-olds. The 70-year-olds countered by convening another board meeting, which decided to expel all the 80-year-olds.

62 Interview, August 2000.
63 Interviews, January 2000.
64 Interview, January 2000.
65 Interviews, April 2000.
66 Interview, August 2000.
67 Interview, October 2001.

6 The Limitations of Chinese NGOs

1 These guidelines were mentioned in several speeches by high-level Civil Affairs officials.
2 Interview, May 2000.
3 Interview, October 2001.
4 POMB statistics show that at the end of 2006 there were 1730 registered national and cross-regional social organizations, 28 private non-enterprise units, and 99 foundations directly supervised by the POMB. The POMB has not released the figures for foreign NGOs. More statistical information is available from the POMB's website: www.chinanpo.gov.cn
5 Interview, May 2000.
6 Interviews, May and September 2000, October 2001 and June 2007.
7 For an analysis of the 'philanthropic impulse' in contemporary China see Shue 1998.
8 Interview, October 2001.
9 I have no way of verifying the information in the *Epoch Times* article, for example the claim that 300,000 copies of the *Southern Weekend* were sealed up. However, the story of the *Southern Weekend* article being censored is no doubt true. I obtained a copy of the censored article through a friend, who downloaded it from the Internet.
10 Interview, November 2001. It should be pointed out that the corruption case that Xu Yongguang wanted exposed was a very minor incident, which only involved school fees for a few students. It did not seem to be a significant problem given the scale of Project Hope. Also, the case concerned the allocation of Project Hope funds at the grassroots level for which the CYDF was not directly responsible, so it would not damage the reputation of the CYDF. In fact, it would probably boost public confidence in the CYDF as it would show the CYDF was determined to have anybody who abused Project Hope funds punished as soon as they were discovered. The CYDF did not seem to appreciate it when its own problems were exposed by the media later.
11 The visit took place in July 2000.
12 My information on this case comes from three sources: interviews with the NGO's board member, who reported the NGO's problems to the DPF; various correspondence, reports and files of the NGO, including audit reports; and the article in the MCA-sponsored newspaper. The name of the newspaper is withheld to protect the identity of the people involved in this case.
13 October 1999.
14 Discussions at a seminar at Tsinghua University, January 2000.
15 Interviews, April and May 2000.
16 Interviews, April and May 2000.
17 Interview, May 2000.
18 Informal interview, September 2000.
19 Informal interview, April 2000.
20 According to a POMB official in a lecture at Tsinghua University in April 2000.
21 'Speech by Vice-Minister Comrade Xu Ruixin at an Informal Discussion with Some Leaders of Social Organizations, 21 May 1996', unpublished MCA document.
22 Lecture at Tsinghua University, January 2000.

23 Informal interview, August 2000.
24 Many fee-charging social service organizations, such as private nursing homes and childcare institutions, fall into this category.
25 Interviews, April 2000.
26 Interview, November 2001.
27 Interviews, November 1999, April 2000, August 2000, November and December 2001, October and November 2002 and November 2006.
28 In Chinese society, 30 is considered an important milestone in a person's life. Looking back at his life in old age, Confucius had said: 'At 30 I took my stand.' Nowadays 30 is often described as the age by which one should have established a career for oneself.
29 Interview, March 2000.
30 Informal interview, April 2000.
31 Interviews, November 1999, April 2000, August 2000, November 2001, December 2001, October 2002 and November 2002.
32 Informal interview, August 2000.
33 Informal interview, November 2002.
34 Informal interview, April 2000.
35 Informal interview, August 2000.
36 Informal interview, November 2002.
37 Interviews, April 2000.
38 It should be noted that both Liu's and Ogden's books, from which these quotations are taken, have drawn on a diversity of sources, including survey data.
39 Interview, March 2000.
40 Interview, May 2005.
41 Group discussion, March 2000.
42 Interviews, March 2000.
43 Interview, March 2000.
44 Group discussion, March 2000.
45 Speech at Tsinghua University, May 2002.
46 Meng Weina told me that she applied for and obtained permission from the public security bureau to hold the demonstration beforehand, therefore it was perfectly legal. Interviews, March 2000.
47 Interview, May 2000.
48 Interview, May 2000.
49 Interview, May 2000.
50 Interviews, March and May 2000.
51 Interview, October 2002.
52 March 2000.
53 Interview, May 2000.
54 Interview, March 2000.
55 Informal interview, July 2000.
56 Interviews, October 2002.
57 Interview, October 2002.
58 Interviews, October 2002.
59 Interviews, March 2000.
60 Informal discussion, January 2007.
61 Discussions with participants in the projects in 2006.
62 Beijing, January 2007.

7 Conclusion

1 Statistical information on NGOs is available at the Popular Organization Management Bureau's website: www.chinanpo.gov.cn

2 The Association's top positions are occupied by village cadres, but they are not government officials, as villages are not considered a formal level of government in China.
3 Information on this case can be found at http://news.sina.com.cn/c/2004-01-31/14211682696s.shtml as well as the website of the National Audit Office: www.audit.gov.cn/cysite/docpage/c167/200401/0117_167_7742.htm
4 April 2000.
5 Informal interviews, July 2000.
6 Interviews, May 2000.
7 For example, after the central state ordered a nationwide overhaul of NGOs in 1996, the MCA issued a guideline to local governments on how to implement the central state directive. The guideline laid particular emphasis on the need to rectify NGOs with economic problems. These include NGOs whose 'financial management is chaotic', NGOs that 'fail to properly manage the economic entities they set up, resulting in serious consequences', and NGOs that 'run businesses or engage in fundraising, lending, and borrowing money in violation of state regulations' (General Office of the State Council 1997).

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